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IN THE

Supreme Court of the United States

October Term, 1980.

THE UPJOHN COMPANY,

Petitioner,

vs.

JUDITH SINDELL, MAUREEN ROGERS, ABBOTT LABORATORIES, ELI LILLY & COMPANY, REXALL DRUG COMPANY, and E. R. SQUIBB & SONS, INC.,

Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE SUPREME COURT OF CALIFORNIA.

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Questions Presented.

This case presents the following federal constitutional questions for this Court's review:

1. May a state, consistent with due process, subject a defendant to civil liability for an injury having no causal connection to any conduct of that defendant?

2. May a state, consistent with due process, shift the burden of proof on the issue of cause in fact to each of several hundred defendants, only one of which may have produced a product causing injury to the plaintiff?

3. May a state, consistent with due process, establish a presumption of causation operative against each of several hundred defendants?

4. May a state constitutionally impose tort liability against a defendant solely because of that defendant's status as a manufacturer of a particular product, and not because of any conduct of that defendant harming the plaintiff?

5. Are manufacturers of a particular pharmaceutical product denied equal protection of the laws when a special rule of law is established, which is applicable to them and not applicable to other tort cases of the same character?

6. Is petitioner denied equal protection of the laws where a state imposes liability on the basis of the wealth of petitioner and other defendants?

7. Is a rule of "market share" allocation of judgments among defendants present in court so unworkable and so arbitrary in its effect that petitioner is denied equal protection of the laws?

8. Does a rule of industry wide liability, permitting a single individual to recover against hundreds of defendants, so burden interstate commerce and interfere with the policies of the federal patent laws and federal drug laws that the rule is void under the Supremacy Clause of the Constitution?

List of Parties.

In its decision, the Supreme Court of California ruled on the claims of two separate individuals, who brought suits for personal injuries in different California counties, but whose cases were consolidated for purposes of appeal only. Numerous named and fictitious defendants were included in the complaints filed by Ms. Sindell and Ms. Rogers, but it appears that most of them were never served, or were dismissed.

All of the parties appearing in the litigation at the California Supreme Court level are identified in the caption of this petition. Ms. Sindell and Ms. Rogers are individuals

and were plaintiffs at the trial court level, while the remaining parties are pharmaceutical manufacturers, and were named as defendants in one or both of the Superior Court cases.

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To the Honorable Warren E. Burger, Chief Justice of the United States, and to the Honorable Associate Justices of the United States Supreme Court:

Petitioner, The Upjohn Company, respectfully prays that a Writ of Certiorari be issued to review the judgment and opinion of the Supreme Court of California entered in this proceeding on March 20, 1980.

Opinions Below.

The opinion of the Supreme Court of California is reported at 26 Cal.3d 588; 163 Cal.Rptr. 132; 607 P.2d 924 (1980), and is reproduced in the Appendix of this petition.

The Supreme Court decision was preceded by an opinion of the California Court of Appeal, Second Appellate District, Division Three, which was originally certified for publication and reported in the Advance Sheets at 85 Cal.App.3d 1, 149 Cal.Rptr. 148 (1978). The opinion of the Court of Appeal is included in the Appendix. However, under California law, the opinion was vacated when the California Supreme Court granted hearing, and was withdrawn from publication, so that it will not appear in the permanent volume of the California Official Reports. Such an unpublished vacated opinion has no force or effect.

Jurisdiction.

The judgment of the Supreme Court of California was entered on March 20, 1980. All of the defendants, including this petitioner, filed timely petitions for rehearing, which were denied on May 7, 1980 (three of the seven justices voting to grant rehearing). This Court's jurisdiction is invoked under 28 U.S.C. Section 1257 (3).

Constitutional Provisions Involved.

Article I, Section 8, Clause 3, of the Constitution provides that:

"The Congress shall have Power: To regulate commerce with foreign nations, and among the several States, and with the Indian tribes."

Article I, Section 8, Clause 8 of the Constitution states that:

"The Congress shall have Power: To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."

Article IV, Clause 2, of the Constitution declares that:

"This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any thing in the Constitution or Laws of any State to the Contrary notwithstanding."

In pertinent part, the Fourteenth Amendment provides that:

"No State . . . shall . . . deprive any person of life, liberty or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws."

Statement of the Case.

The majority of the California Supreme Court formulated the legal issue presented on appeal as follows:

"May a plaintiff, injured as the result of a drug administered to her mother during pregnancy, who knows the type of drug involved but cannot identify the manufacturer of the precise product, hold liable for her injuries a maker of a drug produced from an identical formula?" 26 Cal.3d at 593.

The majority of the California Supreme Court answered this question in the affirmative (three of the court's seven

members dissenting), adopting a rule of industry wide liability in favor of individual plaintiffs. The factual background and procedural framework in which the result was reached are described in the opinion of the Supreme Court, and the facts mentioned in this petition are based on the Supreme Court opinion. (App., pages 1-40)

Petitioner is one of more than 200 manufacturers and suppliers of Diethylstilbestrol (DES), a drug which is a synthetic compound of the female hormone estrogen. Between 1947 and 1971, pursuant to the authority of the Food and Drug Administration, DES was administered to pregnant women for the purpose of preventing miscarriages. It was later claimed that prenatal administration of DES may cause cancer and other ailments in the daughters of women whose mothers took the drug during pregnancy.

Judith Sindell brought suit in Los Angeles Superior Court against petitioner and other drug companies, whose demurrers were sustained without leave to amend on the ground that plaintiff "did not and stated that she could not identify which defendant had manufactured the drug responsible for her injuries." 26 Cal.3d at 596.

Plaintiff Maureen Rogers filed a complaint similar to that of Ms. Sindell in Ventura County. However, after investigation, she was able to identify the manufacturer of the particular drug ingested by her mother. For this reason, the majority of the California Supreme Court held that the new rule of industry wide liability would apply to Rogers only if she fails to establish that the particular company identified actually manufactured the DES taken by her mother. 26 Cal.3d at 597.

Upon review of existing common law remedies, the California Supreme Court concluded that there was no cause of action against the drug companies. The doctrines of

"alternative liability," "concerted action," and "enterprise liability" were found wanting. However, a new rule of industry wide liability was formulated, requiring a plaintiff to bring before the court manufacturers having a "substantial" proportion of the DES market. 26 Cal.3d at 612. The defendants before the court would then be jointly liable for all of the plaintiff's damages, and could apportion the judgment among themselves according to market share, if such evidence happened to be available.

Justice Richardson, joined by Justices Clark and Manuel, filed a dissenting opinion, 26 Cal.App.3d at 614-622. (App., pages 29-40) He found the requirement of proof of causation to be fundamental, and found the rule of the majority to be arbitrary and unfair. He noted that the majority's rule was based, in part, on the perceived wealth of the defendants, contrary to the principle of equal justice under the law. 26 Cal.App.3d at 618. He also noted that plaintiffs utilizing the majority rule would be treated "far more favorably than are plaintiffs in routine tort actions." 26 Cal.3d at 618.

Federal Constitutional issues were first raised by the defendants following the adverse decision of the Court of Appeal. (App., pages 86-89) However, the Supreme Court decision was very different from that of the Court of Appeal, and many Constitutional issues could not have been raised until the time of the Supreme Court decision on March 20, 1980. Following that decision, this petitioner and other defendants filed timely petitions for rehearing, based on federal Constitutional grounds. [Appendix, pages 67-84.] These petitions were denied on May 7, 1980, with Justices Richardson, Clark and Manuel voting to grant them. [Appendix, page 85] The denial of rehearing in the California Supreme Court by a vote of 4 to 3 made the decision final as to that Court.

REASONS FOR GRANTING THE WRIT.

I.

The Decision of the California Supreme Court Constitutes State Action and Is a Final Determination of the Federal Constitutional Issues.

It has long been held that the restrictions of the Fourteenth Amendment apply to all branches of state government, including the judiciary. The prohibitions of the Amendment "have reference to actions of the political body denominated a State, by whatever instruments or in whatever modes that action may be taken." *Ex parte Virginia*, 100 U.S. 339, 346-347 (1879). See also *Home Telephone and Telegraph Company v. City of Los Angeles*, 227 U.S. 278, 286-287 (1912). In determining what is due process of law, "regard must be had to the substance, not to form." *Chicago, Burlington and Quincy Railroad Co. v. Chicago*, 166 U.S. 226, 235 (1896). A final judgment of a state court, under authority of which property is to be taken, is "deemed the act of the state within the meaning of the Fourteenth Amendment." 166 U.S. at 235.

The fact that the decision of a state court may adjudicate only the rights of private parties does not mean that there is no state action. This is true even though the court decision purports simply to be declaratory of the state common law. As this Court stated in *New York Times Company v. Sullivan*, 376 U.S. 254 (1964):

> "Although this is a civil lawsuit between private parties, the Alabama Courts have applied a state rule of law which petitioners claim to impose invalid restrictions on their constitutional freedoms of speech and press. It matters not that law has been applied in a civil action and that it is common law only, though supplemented by statute. . . . The test is not the form in

> which state power has been applied but, whatever the form, whether such power has in fact been exercised." 376 U.S. at 265.

The principles of the above cases have been summarized by one federal court as follows:

> "There can be no doubt that the application by the judiciary of the state's common law, even in a lawsuit between private parties, may constitute state action which must conform to the constitutional strictures which constrain the government." *Edwards v. Habib*, 397 F.2d 687, 691 (U.S.C.A., D.C.Cir., 1968).

In light of the above authorities, it is beyond dispute that the decision of the California Supreme Court in *Sindell* is subject to constitutional scrutiny. The question naturally arises whether the decision constitutes a "final" judgment within the meaning of 28 U.S.C. Section 1257(3), making constitutional review appropriate at this time rather than at some future time. Petitioner Upjohn contends that the decision is "final" for constitutional purposes, since there was a final determination of all federal constitutional issues at the time that the California Supreme Court denied the defendants' petitions for rehearing.

The issue of finality for federal purposes has been considered in a number of decisions of this court, such as *Cox Broadcasting Corporation v. Cohn*, 420 U.S. 469 (1975). In *Cox*, this Court noted that it "has recurringly encountered situations in which the highest court of a State has finally determined the federal issue present in a particular case, but in which there are further proceedings in the lower state courts to come." 420 U.S. at 477. In various types of cases, such decisions are deemed final for purposes of 28 U.S.C. Section 1257, and the present action clearly falls within one of the four categories described. The applicable category is defined in *Cox* as follows:

> "Lastly, there are those situations where the federal issue has been finally decided in the state courts with further proceedings pending in which the party seeking review here might prevail on the merits on nonfederal grounds, thus rendering unnecessary review of the federal issue by this Court, and where reversal of the state court on the federal issue would be preclusive of any further litigation on the relevant cause of action rather than merely controlling the nature and character of, or determining the admissibility of evidence in, the state proceedings still to come. In these circumstances, if a refusal immediately to review the state court decision might seriously erode federal policy, the Court has entertained and decided the federal issue, which itself has been finally determined by the state courts for purposes of the state litigation." 420 U S. at 428-483.

In the present case, the California Supreme Court announced a new rule of law and upheld its constitutionality by denial of rehearing. If this rule is held by this Court to violate the federal Constitution, then there would be no further litigation in state courts. Rather, the original judgments of dismissal in the trial courts would be reinstated. Of course, the decision of the California Supreme Court remands the claim of Ms. Sindell to a trial court for determination of non-constitutional issues. It is possible that all of the defendants might secure judgment in their favor if Ms. Sindell is unable to prove that her medical condition was caused by her mother's use of DES. However, the decision in *Sindell* would remain California's rule of law applicable to DES cases and probably to other types of litigation. The decision would be absolutely binding on all lower courts of California. *Auto Equity Sales, Inc. v. Superior Court*, 57 Cal.2d 450 (1962). It is possible that other states might adopt the rule of *Sindell*, and that many thousands of cases would be litigated prior to a determination

of the constitutional issues raised by this petition. Thus, the constitutional rights of the defendants would be jeopardized, and federal policy governing the drug industry would be seriously eroded for years to come.

A clear illustration of the applicable law regarding the "finality" of the *Sindell* decision is the case of *Hudson Distributors, Inc. v. Eli Lilly & Company*, 377 U.S. 386 (1964), which involved two drug companies which are defendants in the present action. In *Hudson*, the Supreme Court of Ohio upheld the validity of the state's fair trade law, which had been challenged on constitutional and other federal grounds. The Ohio Supreme Court remanded the case to lower courts for further proceedings in accordance with the state statute. In spite of this remand, the United States Supreme Court held that the pendency of further proceedings did not "render the judgment of the Ohio Supreme Court on the issue here considered and decided nonfinal or unappealable within the meaning of 28 U.S.C. Section 1257." 377 U.S. at 389.

The procedural context of the *Hudson* case is quite similar to the present action. Although there was no award of damages or granting of a permanent injunction in *Hudson*, matters for trial courts, the Ohio Supreme Court had rendered a final decision on a question of law, the validity of state legislation which had been challenged on federal grounds. Had the United States Supreme Court refused to consider the *Hudson* case, the federal issue presented would have remained unresolved for an indefinite period of time. The validity of fair trade laws in many states would have been subject to doubt. Similarly, if this Petition for a Writ of Certiorari is denied, the constitutional right of a state to compel hundreds of defendants to defend thousands of cases would be left unclear. A decision of a State Supreme Court is "ripe" for review by this court under appropriate cir-

cumstances where necessary to avoid "unsettled" and important constitutional questions. *Miami Herald Publishing Co. v. Tornillo*, 418 U.S. 241, 247 (1974).

In short, the California Supreme Court has decided federal constitutional issues of great importance. The majority of that Court has held that the federal Constitution is not violated by the creation of a rule of law permitting an individual plaintiff to recover a judgment against many hundreds of defendants without proving that any one defendant injured the plaintiff. Because the decision on the issue of law is final, because the constitutional rights of the defendants are violated by the decision, and because it would be intolerable to leave important constitutional issues unanswered, the decision of the California Supreme Court should be deemed "final" under 28 U.S.C. Section 1257 (3).

II.

Due Process Is Denied Where a Defendant Is Subject to Liability for an Injury Having No Causal Connection to That Defendant's Conduct.

The essence of the *Sindell* decision is that it dispenses with the requirement of a plaintiff proving cause in fact, a connection between a particular defendant's conduct and the plaintiff's claimed injury. Instead, the California Supreme Court has adopted the concept of industry wide liability. A plaintiff is allowed to sue all of the members of an industry, all of whom may be held liable to the plaintiff even though only one out of several hundred members of the industry may have harmed the plaintiff. It is submitted that the abandonment of causation as an element of a cause of action, through the fiction of shifting the burden of proof, constitutes a violation of each defendant's separate right to due process of law.

The "touchstone" of due process is protection of a party against "arbitrary action of government." *Wolff v. McDonald,* 418 U.S. 539, 558 (1974). It is submitted that a rule of law permitting one individual to sue selectively an entire industry with hundreds of members, for the conduct of only one member, or the conduct of no member, constitutes such arbitrary action.

It is within the power of the states to regulate procedures under which their laws are administered, and a rule is presumed valid unless it "offends some principle of justice so rooted in the traditions and conscience of our people as to be ranked as fundamental." *Patterson v. New York,* 432 U.S. 197, 201-202 (1977). It is submitted that the requirement of causation is such a principle of justice, which has heretofore been universally recognized in American jurisprudence. Never before has an entire class of defendants been subject to civil liability for the conduct of one of them or none of them.

The majority opinion in *Sindell* recognized that "as a general rule," imposition of liability on any defendant "depends upon a showing by the plaintiff that his or her injuries were caused by the act of the defendant or by an instrumentality under that defendant's control." 26 Cal.3d at 597. Although the majority in *Sindell* saw fit to depart from this principle, it has been universally recognized in all American jurisdictions. Perhaps the most comprehensive treatment of the issue of product tracing and identification is found in the annotation entitled *Products Liability: Necessity and Sufficiency of Identification of Defendant as Manufacturer or Seller of Product Alleged to have Caused Injury,*" 51 American Law Reports, Annotated, 3rd Series, at page 1344. Said annotation includes the following passage:

"The term 'products liability,' a phrase almost unknown to the legal profession a generation ago, is now almost universally applied to the liability of a manufacturer, processer, or nonmanufacturing seller for injury to the person or property of a buyer or third party caused by a product which has been sold.

"Regardless of the theory which liability is predicated upon, whether negligence, breach of warranty, strict liability in tort, or other grounds, it is obvious that to hold a producer, manufacturer or seller liable for injury caused by a particular product, there must first be proof that the defendant produced, manufactured, sold, or was in some way responsible for the product, and this rule is supported in all of the cases examined in this annotation." 51 A.L.R. 3rd at 1348-1349.

A leading torts scholar, Dean Prosser, has written that an essential element of any tort action is that "there be some reasonable connection between the act or omission of the defendant and the damage which the plaintiff has suffered." (*Prosser, Torts* (4th ed. 1971), Section 41, page 236.) Dean Prosser also states that plaintiff "must introduce evidence which affords a reasonable basis for the conclusion that it is more likely than not that the conduct of the defendant was a substantial factor in bringing about the result. A mere possibility of such causation is not enough." (*Prosser, supra*, Section 41 at page 241).

In his dissenting opinion, Justice Richardson (joined by Justices Clark and Manuel) stated that "in the context of products liability, the requirement of a causation element has been recognized as . . . fundamental." 26 Cal.3d at 614. In abandoning proof of causation, Justice Richardson states that "the majority rejects over 100 years of tort law which required that before tort liability was imposed a 'matching' of defendant's conduct and plaintiff's injury was

absolutely essential." 26 Cal.3d at 616. In support of this conclusion, Justice Richardson cited many authorities which reflect that proof of causation is a principle of justice so deeply rooted in the traditions of the common law to be ranked as fundamental.

The four members of the *Sindell* majority and the three dissenters all recognize that proof of causation has always been a fundamental legal principle. The departure of the majority from this principle violates the Constitution, because the new rule fails to recognize that each defendant's constitutional rights must be examined and protected individually.

In *Stanley v. Illinois*, 405 U.S. 645 (1972), this Court invalidated a state law that established a presumption that an unwed father is an unsuitable parent. It was held that such a presumption violates due process, and that every unwed father is entitled to a particularized determination of parental fitness on the basis of individualized proof. Similarly, in *Boddie v. Connecticut*, 401 U.S. 371 (1971), it was held that the Due Process Clause requires that each defendant have a separate and meaningful opportunity to be heard. A rule may "offend due process because it operates to foreclose a particular party's opportunity to be heard." 401 U.S. at 380. A state "owes to each individual that process which, in light of the values of a free society, can be characterized as due." 401 U.S. at 380.

The *Sindell* rule violates the principles of *Stanley* and *Boddie* because it lumps the defendants together as an entity, failing to recognize that each defendant has separate and independent constitutional protections. Since the Constitution requires an individualized determination of each defendant's liability, the fundamental burden of proving causation cannot be satisfied by considering the defendants as

a group. There must be evidence of the conduct of each defendant individually and as to each element of liability.

In *Vachon v. State of New Hampshire*, 414 U.S. 478 (1974), this court struck down a conviction based on a record lacking any relevant evidence as to a crucial element of a particular offense. It was held that such a conviction violated due process. The State was not allowed to simply dispense with an element of an offense. It is constitutionally required that the prosecution must convince the trier of fact of all essential elements of guilt. *In re Winship*, 397 U.S. 358, 362 (1970).

On occasion, states have attempted to dispense with the requirement of proving an element of a criminal offense by shifting the burden of proof on the issue to the defendant. In *Mullaney v. Wilbur*, 421 U.S. 684 (1975), this Court rejected such an attempt. The doctrine of the *Winship* case was applied so as to preclude shifting the burden of proof on the defendant's state of mind. Similarly, the *Mullaney* court noted that the *Winship* doctrine could not be avoided simply by redefining the elements that constitute various crimes. 421 U.S. at 698.

The above cases demonstrate that, although states have considerable latitude in establishing procedures, they may not arbitrarily tamper with the elements of an offense or a cause of action, which are established by the traditions and conscience of our people. States may not achieve this end by purporting to shift the burden of proof to a defendant.

The requirement of establishing a causal connection between a defendant's conduct and his civil or criminal liability is, it is submitted, rooted in the most fundamental beliefs of our people. It is violation of due process to convict and punish a man without evidence of his guilt. *Thompson v. City of Louisville*, 362 U.S. 199, 206 (1960). Similarly, it

is a violation of due process to impose civil liability on a defendant who never harmed the plaintiff.

The principles of the above cases are applicable to both civil and criminal proceedings. This Court has consistently rejected efforts to eliminate required elements of a cause of action or an offense, or arbitrarily shift the burden or proof in violation of due process.

In *Speiser v. Randall*, 357 U.S. 513 (1958), this Court reviewed decisions of the Supreme Court of California construing a statute relating to a tax exemption. The California court upheld the statute, which placed on taxpayers the burden of proving that they were not persons who advocated overthrow of the government. This Court framed the question before it as "whether this allocation of the burden of proof, on an issue concerning freedom of speech, falls short of the requirements of due process." 357 U.S. at 523. It was noted that in civil cases as well as criminal cases "this Court has struck down state statutes unfairly shifting the burden of proof." 357 U.S. at 524. In *Speiser*, this court found that shifting the burden of proof was a violation of due process.

It can perhaps be said that, prior to the *Sindell* decision, the most extreme effort to shift the burden of proof in a civil case was found in a Georgia statute examined by this Court in *Western and Atlantic Railroad v. Henderson*, 279 U.S. 639 (1929). The statute before the Court permitted a jury to award damages against railroad companies in cases arising from train collisions, unless the railroad could prove that it had exercised "all ordinary and reasonable care and diligence, the presumption in all cases being against the company." 279 U.S. at 640. Plaintiff Henderson charged negligence in six particular respects on the part of the railroad, resulting in the death of her husband. There was conflicting evidence on some of the six charges, but no evidence

whatsoever on other charges. This Court reversed a judgment in favor of plaintiff Henderson, holding that there was no rational basis to shift the burden of proof on each separate issue of negligence. In order to satisfy due process, there must be "a rational connection between what is proved and what is to be inferred." 279 U.S. at 642. This Court held that "legislative fiat may not take the place of fact in the judicial determination of issues involving life, liberty, or property." 279 U.S. at 642. Obviously, a judicially created rule is subject to the same restrictions as one established by legislation.

It appears that the rule of *Sindell* falls within the constitutional prohibition established by this court in *Western and Atlantic Railroad v. Henderson*. The *Sindell* majority shifts the burden of proof on causation in an arbitrary and unfair way. A plaintiff cannot constitutionally require a railroad to disprove negligence upon a mere showing of a railroad accident. Similarly, a DES daughter cannot rationally expect each of several hundred manufacturers to prove that its product did not harm her. To shift the burden of proof on causation to hundreds of defendants in a single case is arbitrary, unfair, and a violation of the due process rights of each such defendant.

III.

Due Process Is Unavailable Where a State Creates a Presumption of Causation Having No Rational Basis in Fact or in Legal Precedent.

To shift the burden of proof on causation to each of the defendants is, in effect, to create a mandatory presumption of causation. A mandatory presumption is a "troublesome evidentiary device." *County Court of Ulster County v. Allen*, ... U.S. ...., 99 S.Ct. 2213, 2224 (1979). Such a presumption is one that tells the judge or jury that "he or

they *must* find the elemental fact upon proof of the basic fact, at least unless the defendant has come forward with some evidence to rebut the presumed connection between the two facts." 99 S.Ct. at 2224-2225.

The *Sindell* rule undoubtedly can be classified as a "mandatory presumption." A plaintiff need merely demonstrate prenatal exposure to DES and that a particular defendant was a manufacturer or supplier of the product. It is then presumed that the plaintiff was exposed to the particular defendant's product, unless the defendant can demonstrate that its product could not have reached the plaintiff. Such an unusual case might occur where, for example, a particular defendant entered the national market after the time that the plaintiff was exposed to DES. However, in the absence of such evidence, the presumption of causation operates against all of the defendants in the marketplace.

It should be noted that judicially created presumptions are subject to the same constitutional scrutiny as those established by legislation. *Wray v. Folsom*, 166 F.Supp. 390, 395 (1958). In order for a presumption to pass constitutional muster, there must be "some rational connection between the fact proved and the ultimate fact presumed, and that the inference of one fact from proof of another shall not be so unreasonable as to be purely arbitrary mandate." *Mobile, Jackson & Kansas City Railroad Company v. Turnipseed*, 219 U.S. 35, 43 (1910). This rule is applicable "in either criminal or civil cases" and a presumption must not "shut out from the party affected a reasonable opportunity to submit to the jury in his defense all of the facts bearing upon the issue." 219 U.S. at 43.

A presumption is unconstitutional "if there be no rational connection between the fact proved and the ultimate fact presumed, if the inference of the one from proof of the other is arbitrary because of lack of connection between the two

in common experience." *Tot v. United States*, 319 U.S. 463, 467-468 (1942). Presumptions are constitutionally disfavored, especially where they are not universally true in fact. *Vlandis v. Kline*, 412 U.S. 441 (1973); *United States Department of Agriculture v. Murry*, 413 U.S. 546 (1973).

A presumption operates against a party individually, and not just against a group of parties of which the particular party is a member. Furthermore, a valid presumption operates with respect to a specific set of facts, not with respect to a defendant's general conduct.

In *Manley v. Georgia*, 279 U.S. 1 (1928), for example, this court reviewed the constitutionality of a Georgia banking law which established a presumption of fraud upon proof of a bank's insolvency. From the mere failure of the bank financially, criminal guilt and apparently civil liability were created, subject only to the right of the defendant to rebut the presumption. This liability extended to the president of the bank and all of its directors.

Unsurprisingly, the conviction of Mr. Manley was overturned by this Court, which found that the statutory presumption was unreasonable and arbitrary. It was noted that insolvency could be established without regard to the particular facts causing it and without regard to specific facts of any particular transaction. Furthermore, this Court noted that the presumption was "sweeping", extending to all directors without proof of any individual responsibility. 279 U.S. at 6. Under the statute, a defendant "is to be convicted unless he negatives every fact, whether act or omission in the management of the bank, from which fraudulent insolvency might result, or shows that he is in no way responsible for the condition of the bank." 279 U.S. at 7. Such a burden of proving a negative was held so severe as to be unconstitutional.

More recent cases have condemned the use of presumptions as substitutes for individual fact finding. See, for example, *Cleveland Board of Education v. LaFleur*, 414 U.S. 632, 649 (1974). Presumptions which are neither necessarily nor universally true are disfavored under the Constitution "because they preclude individualized determination of the facts upon which substantial rights or obligations may depend." *Coleman v. Darden*, 595 F.2d 533, 536 (1979).

The presumption of causation established by *Sindell* might be more rational if the defendants were a single entity. However, the presumption operates against each defendant individually, depriving each one of its separate and independent property.

In at least one case, this Court has formulated a minimum quantitative standard for measuring the constitutionality of presumptions. A presumption is irrational or arbitrary, and thus unconstitutional, "unless it can at least be said with substantial assurance that the presumed fact is more likely than not to flow from the proved fact on which it is made to depend." *Leary v. United States*, 395 U.S. 6, 36 (1969).

Using the 50 percent ("more likely than not") standard of the *Leary* case, it must be said that the *Sindell* rule is irrational and arbitrary. It cannot be said that there is a probability of greater than 50 percent that this petitioner actually produced the DES taken by Ms. Sindell's mother. Even if such a statement could be made as to one defendant, it certainly cannot be made as to each of the hundreds of manufacturers or suppliers which are subject to individual liability to plaintiff *Sindell* under the rule established by the California Supreme Court.

As indicated in the *Manley* case, *supra*, it is constitutionally impermissible to lump various parties and transactions together. Rather, civil and criminal liability must be established with respect to particular facts, and each

defendant is entitled to an individualized determination of its liability. The majority of the court in *Sindell* concedes that there is no common law basis of liability without causation in light of the facts alleged by Ms. Sindell in her complaint. However, the majority then proceeds to create an unprecedented presumption of causation. This presumption is arbitrary and irrational when it is applied to any particular defendant, and hence it is unconstitutional.

IV.

Due Process Is Violated When a Defendant Is Subject to Civil Liability Merely Because of Its Status as a Manufacturer, and Not Because of Any Conduct.

The foundation of both criminal and civil liability is conduct on the part of the defendant. In either case, there must be an act or omission in violation of society's rules of conduct and, in the civil case, the conduct must have injured the plaintiff. A defendant cannot be held liable simply for his status, however disagreeable that may be.

The distinction between a defendant's "status" and his "conduct" was drawn by this court in the leading case of *Robinson v. State of California*, 370 U.S. 661 (1962). In *Robinson*, a conviction was reversed which may have been based on the defendant's "status" as a narcotics addict, as distinguished from any use, possession, or sale of a narcotic substance.

It might be possible to infer that any narcotics addict must have, at some time, illegally possessed or used a proscribed substance. However, this Court held that the Constitution requires proof of the actual illegal conduct, as distinguished from the status ultimately resulting from that conduct.

The rule of *Sindell* permits civil liability on the part of a defendant solely because of its status as a manufacturer or supplier of DES. This is true, even though each defendant

separately appeared in the market place, complied with the requirements of federal law regulating drugs, and separately distributed its product. It is submitted that California may not constitutionally create liability in favor of a single person against all parties enjoying the "status" of manufacturer or supplier of a particular product.

V.

Manufacturers of DES Are Denied Equal Protection of the Laws When a Special Rule of Law Is Established Which Applies Only to Them and Not to Similarily Situated Parties.

The principle of industry wide liability is novel and unique, but there is little in the majority opinion in *Sindell* to indicate the extent of its application. It seems apparent that the requirement of proof of causation still applies in most tort cases and even most personal injury cases, although not in cases in which DES manufacturers are defendants. The special treatment of defendants such as this petitioner represents, it is submitted, a denial of equal protection of the laws in violation of the Fourteenth Amendment.

Of course, the equal protection clause applies both to civil and criminal cases since the constitution protects life, liberty, and property. *Lee v. Habib*, 424 F.2d 891, 901 (1970). A legal classification applying to a party or group of parties must be reasonable and not arbitrary, and must rest upon some ground of difference having a fair and substantial relation to the purpose of the legal rule. *Jones v. Robinson*, 415 U.S. 361, 374 (1974). All persons similarly circumstanced should be treated alike. *Reed v. Reed*, 404 U.S. 71 (1971). A classification established by state law must have a reasonable basis. *Graham v. Richardson*, 403 U.S. 365, 371 (1971).

In the present action, the California Supreme Court has dispensed with the burden of proof on causation simply because plaintiff Sindell is unable to bear it. Because of the lapse of time, through no fault of the defendants, plaintiff Sindell is unable to prove her case. Under the circumstances, California has arbitrarily created a class of defendants, manufacturers of a particular product, subject to suit without proof of the normal elements of tort liability.

An early but instructive equal protection case is *Truax v. Corrigan*, 257 U.S. 312 (1921). In *Truax*, this Court reviewed a decision of the Supreme Court of Arizona upholding a state statute dealing with the rights of employers under particular circumstances. Arizona State law established a right to a civil cause of action for certain conduct, but exempted former employees of the plaintiff from liability. This court held that it was a denial of equal protection to grant relief against one category of defendants and deny it as to another category of defendants whose conduct might be exactly the same. Of course, rules of procedure are subject to the equal protection clause of the Fourteenth Amendment. *Power Manufacturing Company v. Saunders*, 274 U.S. 490 (1927).

There is no reasonable basis for dispensing with the burden of proving causation in DES cases, while retaining it in other tort cases. The California Supreme Court may be sympathetic to DES daughters, but other injured plaintiffs are equally deserving of sympathy. For example, the victim of a hit and run driver may be very seriously injured, but is not permitted to sue all automobile drivers in a particular city or state. Similarly, a person may be the victim of a defamatory rumor, but may not bring suit against all the residents of an entire town, but rather must identify particular individuals spreading the rumor.

Since the California Supreme Court denied rehearing, it gave no explanation why DES manufacturers and suppliers should be treated differently from defendants in other tort cases. It is submitted that there is no reasonable explanation, and that parties such as this petitioner are thus denied equal protection of the laws.

VI.

Equal Protection Is Violated Where a Rule of Law Is Created on the Basis of Defendants' Wealth.

A major element in the rationale of the majority in *Sindell* is that the defendants, because of their wealth, are "better able to bear the costs of injury" than the plaintiff. 26 Cal.3d at 611. Thus, the plaintiff is permitted to bring before the court hundreds of members of an industry, some of whose members may be wealthy corporations.

Establishment of a rule of law based on the presumed wealth of the defendants, it is submitted, denies the defendants equal protection of the law. Wealth has long been a suspect classification, an improper basis for discrimination among parties. *Douglas v. People of the State of California,* 372 U.S. 353 (1963); *Roberts v. LaVallee,* 389 U.S. 40 (1967); *Harper v. Virginia State Board of Elections,* 383 U.S. 663 (1966). The defendants should be held liable, or exonerated, based on their individual conduct toward the plaintiff, rather than on the basis of their economic status.

VII.

The New "Market Share" System Is so Unworkable and Uneven in Its Impact That Certain Defendants Are Deprived of Equal Protection of the Laws.

The *Sindell* majority attempts to ameliorate the harshness of its new rule by allowing those defendants held liable to the plaintiff to apportion the judgment among themselves

according to "market share," assuming that evidence of "market share" exists. However, the defendants remain jointly and severally liable to the plaintiff, and any one defendant could be required to pay full compensation to the plaintiff. *American Motorcycle Association v. Superior Court,* 20 Cal.3d 578, 578 P.2d 899 (1978). Of course, some of the several hundred manufacturers and suppliers of DES are not subject to jurisdiction in California, or have gone out of business. Thus, as indicated in Justice Richardson's dissent, "it may be concluded that under the majority's reasoning those defendants who are brought to trial in this state will bear effective joint responsibility for 100 percent of plaintiffs' injuries despite the fact that their 'substantial' aggregate market share may be considerably less." 26 Cal.App.3d at 517.

The *Sindell* majority offers no definition of what is a "substantial" aggregate market share, sufficient to enable a plaintiff to recover a judgment against the defendants before the court. As Justice Richardson notes, the "issue is open ended and the answer, presumably, is anyone's guess." 26 Cal.3d at 615. There is even one reported decision in California which suggests that even 20 percent may represent a "substantial" portion of a total. *People v. Ames,* 61 Cal.App.2d 522, 143 P.2d 92 (1943).

In the event that "market share" data is available, then the defendants before the court will arbitrarily be required, in effect, to pay for the share of insolvent or absent manufacturers and suppliers. If, however, market share information is unavailable, then judgments will be allocated equally among those defendants present, pursuant to Sections 875-876 of the *California Code of Civil Procedure.* This would represent a devastating and perhaps unbearable financial catastrophe for all smaller manufacturers and suppliers of pharmaceutical products.

The "market share" variation of industry wide liability is inherently unfair, because it penalizes defendants before the court for the conduct of those that are absent. Furthermore, if evidence of "market share" of the distant past is unavailable, as seems to be the case, then all defendants before the court will be held equally responsible financially, a wholly arbitrary result.

VIII.

The New Rule of Industry Wide Liability Represents an Intolerable and Unconstitutional Burden on Interstate Commerce.

The purpose of the commerce clause of the Constitution is to create an area of free trade among the several states. Even without implementing legislation by Congress, the clause is a limitation upon the power of the states. *Great Atlantic and Pacific Tea Company, Inc. v. Cottrell,* 424 U.S. 366 (1976). The Supreme Court, if it finds that a challenge exercised of local power serves a legitimate interest that simultaneously burdens interstate commerce, is confronted with a problem of balancing the competing state and federal claims. 424 U.S. at 371.

The extent to which a state law or regulation burdens interstate commerce is an important measure of constitutionality under the interstate commerce clause. The fact that a state law or regulation substantially increases the cost of interstate movement of goods is relevant on the issue of whether a particular burden on interstate commerce is substantial. *Raymond Motor Transportation, Inc. v. Rice,* 434 U.S. 429 (1978). Furthermore, the extent of the burden that will be tolerated depends in part on whether the state interest could be promoted in a manner having "a lesser impact on interstate activities." *Pike v. Bruce Church, Inc.*, 397 U.S. 137, 142 (1970).

The fact that a state imposes a burdensome regulation on its own residents to the same extent as the residents of other states does not mean that there is no burden on interstate commerce. The people of such a state "have as much right to protection against the enactments of that state interfering with the freedom of commerce among the states as have the people of other states." *Minnesota v. Barber*, 136 U.S. 313, 326 (1890). Furthermore, a regulation of one state may be burdensome because of the fact that all or most other states have a different and conflicting rule on a particular subject. *Bibb v. Navajo Freight Lines, Inc.*, 359 U.S. 962 (1959).

The novel rule of law established by *Sindell* falls within the principles of the above cases. A single individual is allowed to bring into court an entire industry with several hundred components, an industry that is national in character, even though only one member of that industry may have harmed the plaintiff. The cost of litigation for each of several hundred defendants far exceeds any possible benefit to be gained by the single plaintiff. Furthermore, the spectre of industry wide liability creates a potential burden far exceeding the small profits that might be realized on the sale of a pharmaceutical product to a single individual. Many drug companies will undoubtedly take steps to prevent their products from being sold in California, which would seriously disrupt the existing network for distribution of pharmaceutical products.

As pointed out in Justice Richardson's dissenting opinion, there is a less burdensome alternative to the majority rule, that alternative being compensation through legislation. 26 Cal.App.3d at 621-622.

In his dissent, Justice Richardson expresses the view, that "no other state will adopt so radical a departure from tra-

ditional tort principles [as the *Sindell* majority]." 26 Cal.3d at 617. If this prediction is accurate, California will have, in effect, an economic regulation more bizzare and unique than the Illinois statute that was reviewed in the *Bibb* case cited above. A manufacturer desiring to sell his products in California would be faced with a heavy and unpredictable burden, potential liability not only for his own products, but for the products of the entire industry. This court should not tolerate such a burden on commerce among the states.

IX.

The "Market Share" Rule Manufactured by the California Supreme Court Invades Fields of Law Which Have Been Preempted by Federal Law, in Violation of the Supremacy Clause of the United States Constitution.

The pharmaceutical field is of such importance to interstate commerce and to the public welfare that Congress has chosen to regulate it extensively through the *Federal Food, Drug and Cosmetic Act*, 21 U.S.C. Section 301 *et seq.* Furthermore, drugs may be patented, and the Secretary of Health, Education and Welfare is authorized and directed to work with the Commissioner of Patents on questions relating to drugs. 21 U.S.C. Section 372(d).

The purpose of federal patent laws is to encourage invention by granting the inventor a statutory monopoly on a product for a period of time. *Sears Roebuck & Co. v. Stiffel Company*, 376 U.S. 225 (1964). However, when a patent expires, or if an article is unpatented or unpatentable, the product is in the public domain and may be produced by anyone. 376 U.S. at 230. No state may interfere with the operation of federal patent and copyright laws by prohibiting copying of an article not protected by such federal laws. 376 U.S. at 227.

In *Sears Roebuck & Co. v. Stiffel Company*, 376 U.S. 225, this court reversed a judgment based on the state common law theory of unfair competition. It was held that the common law remedy of money damages had the effect of perpetuating a monopoly on a product indefinitely, even though the product was not protected by a federal patent. Thus, the common law remedy could not be maintained consistent with the Supremacy Clause of the constitution.

The obvious practical effect of the *Sindell* decision would be to perpetuate existing monopolies on particular drugs after the expiration of patents. No company could risk entry into an established market, because of the danger of being saddled with liability for the products of its competitor. Thus, the prospects for generic drug marketing would be very dim, because manufacturers of generic drugs would be subject to industry wide liability.

It thus appears that the effect of the *Sindell* rule would be to frustrate federal policy by tending to create and prolong private monopoly, just as in the *Sears* case mentioned above. Thus, the *Sindell* rule, violates Article VI, Clause 2 of the Constitution, the Supremacy Clause.

Regulation of conduct can be indirect as well as direct, and can often be as effectively exerted through an award of damages as through other legal remedies. *San Diego Building Council v. Garmon*, 359 U.S. 236 (1959). If the allowance of a state cause of action for damages will conflict with the assertion of federal authority, then it is preempted and rendered void by the federal regulatory scheme. 359 U.S. at 247.

The *Sindell* rule goes so far beyond the limits of ordinary tort law that it impairs the position of the federal government under the Constitution. An entire industry is subject to suit at the instance of a single individual, burdening interstate

commerce, impairing market entry for the production of unpatented products, and allowing juries to reexamine the decisions of the Food and Drug Administration. The rule thus cannot constitutionally be permitted to stand.

Conclusion.

For the foregoing reasons, it is respectfully submitted that this Petition For a Writ of Certiorari should be granted.

Respectfully submitted,

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APPENDIX A.

Opinion of the California Supreme Court.

In the Supreme Court of the State of California, Judith Sindell, Plaintiff and Appellant, v. Abbott Laboratories et al., Defendants and Respondents. Maureen Rogers, Plaintiff and Appellant, v. Rexall Drug Company et al., Defendants and Respondents. L.A. 31063.

Filed: March 20, 1980.

This case involves a complex problem both timely and significant: may a plaintiff, injured as the result of a drug administered to her mother during pregnancy, who knows the type of drug involved but cannot identify the manufacturer of the precise product, hold liable for her injuries a maker of a drug produced from an identical formula?

Plaintiff Judith Sindell brought an action against eleven drug companies and Does 1 through 100, on behalf of herself and other women similarly situated. The complaint alleges as follows:

Between 1941 and 1971, defendants were engaged in the business of manufacturing, promoting, and marketing diethylstilbesterol (DES), a drug which is a synthetic compound of the female hormone estrogen. The drug was administered to plaintiff's mother and the mothers of the class she represents,[1] for the purpose of preventing miscarriage. In 1947, the Food and Drug Administration authorized the marketing of DES as a miscarriage

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[1]The plaintiff class alleged consists of "girls and women who are residents of California and who have been exposed to DES before birth and who may or may not know that fact or the dangers" to which they were exposed. Defendants are also sued as representatives of a class of drug manufacturers which sold DES after 1941.

preventative, but only on an experimental basis, with a requirement that the drug contain a warning label to that effect.

DES may cause cancerous vaginal and cervical growths in the daughters exposed to it before birth, because their mothers took the drug during pregnancy. The form of cancer from which these daughters suffer is known as adenocarcinoma, and it manifests itself after a minimum latent period of 10 or 12 years. It is a fast-spreading and deadly disease, and radical surgery is required to prevent it from spreading. DES also causes adenosis, precancerous vaginal and cervical growths which may spread to other areas of the body. The treatment for adenosis is cauterization, surgery, or cryosurgery. Women who suffer from this condition must be monitored by biopsy or colposcopic examination twice a year, a painful and expensive procedure. Thousands of women whose mothers received DES during pregnancy are unaware of the effects of the drug.

In 1971, the Food and Drug Administration ordered defendants to cease marketing and promoting DES for the purpose of preventing miscarriages, and to warn physicians and the public that the drug should not be used by pregnant women because of the danger to their unborn children.

During the period defendants marketed DES, they knew or should have known that it was a carcinogenic substance, that there was a grave danger after varying periods of latency it would cause cancerous and precancerous growths in the daughters of the mothers who took it, and that it was ineffective to prevent miscarriage. Nevertheless, defendants continued to advertise and market the drug as a miscarriage preventative. They failed to test DES for efficacy and safety; the tests performed by others, upon which they relied, indicated that it was not safe or effective. In violation of the authorization of the Food and Drug Administration, de-

fendants marketed DES on an unlimited basis rather than as an experimental drug, and they failed to warn of its potential danger.[2]

Because of defendants' advertised assurances that DES was safe and effective to prevent miscarriage, plaintiff was exposed to the drug prior to her birth. She became aware of the danger from such exposure within one year of the time she filed her complaint. As a result of the DES ingested by her mother, plaintiff developed a malignant bladder tumor which was removed by surgery. She suffers from adenosis and must constantly be monitored by biopsy or colposcopy to insure early warning of further malignancy.

The first cause of action alleges that defendants were jointly and individually negligent in that they manufactured, marketed and promoted DES as a safe and efficacious drug to prevent miscarriage, without adequate testing or warning, and without monitoring or reporting its effects.

A separate cause of action alleges that defendants are jointly liable regardless of which particular brand of DES was ingested by plaintiff's mother because defendants collaborated in marketing, promoting and testing the drug, relied upon each other's tests, and adhered to an industry-wide safety standard. DES was produced from a common and mutually agreed upon formula as a fungible drug interchangeable with other brands of the same product; defendants knew or should have known that it was customary for doctors to prescribe the drug by its generic rather than its brand name and that pharmacists filled prescriptions from whatever brand of the drug happened to be in stock.

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[2]It is alleged also that defendants failed to determine if there was any means to avoid or treat the effects of DES upon the daughters of women exposed to it during pregnancy, and failed to monitor the carcinogenic effects of the drug.

Other causes of action are based upon theories of strict liability, violation of express and implied warranties, false and fraudulent representations, misbranding of drugs in violation of federal law, conspiracy and "lack of consent."

Each cause of action alleges that defendants are jointly liable because they acted in concert, on the basis of express and implied agreements, and in reliance upon and ratification and exploitation of each other's testing and marketing methods.

Plaintiff seeks compensatory damages of $1 million and punitive damages of $10 million for herself. For the members of her class, she prays for equitable relief in the form of an order that defendants warn physicians and others of the danger of DES and the necessity of performing certain tests to determine the presence of disease caused by the drug, and that they establish free clinics in California to perform such tests.

Defendants demurred to the complaint. While the complaint did not expressly allege that plaintiff could not identify the manufacturer of the precise drug ingested by her mother, she stated in her points and authorities in opposition to the demurrers filed by some of the defendants that she was unable to make the identification, and the trial court sustained the demurrers of these defendants without leave to amend on the ground that plaintiff did not and stated she could not identify which defendant had manufactured the drug responsible for her injuries. Thereupon, the court dis-

missed the action.[3] This appeal involves only five of ten defendants named in the complaint.[4]

Plaintiff Maureen Rogers filed a complaint containing allegations generally similar to those made by Sindell. She seeks compensatory and punitive damages on her own behalf, and on behalf of a class described in substantially the same terms as in Sindell's complaint, as well as equitable relief comparable to that sought by Sindell. The trial court sustained demurrers of E.R. Squibb & Sons, The Upjohn

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[3]There are minor variations in the procedures employed as to the various defendants. Thus, for example, Eli Lilly and Company filed a motion for summary judgment, or alternatively judgment on the pleadings, rather than a demurrer; the court treated the motion as a demurrer.

The demurrer of Abbott Laboratories, the first defendant to file a demurrer and the first to secure a dismissal, was sustained with leave to amend on the ground that plaintiff had failed to allege that a product manufactured by Abbott had caused her injuries (as opposed to the reason given by the trial court for sustaining the demurrers of the other defendants that plaintiff expressly stated that she could not identify a particular manufacturer). Upon plaintiff's failure to amend the complaint, the action was dismissed as to Abbott. A few days after the dismissal, plaintiff stated in a brief in opposition to the demurrers filed by defendants other than Abbott that she could not make the identification.

Abbott asserts that as to it the issue we consider on the appeal is not properly raised because plaintiff's statement that she could not identify the manufacturer was not made until after the action had been dismissed as to Abbott. This contention is without merit. Plaintiff's failure to amend her complaint after Abbott's demurrer was sustained with leave to amend was based upon her inability to identify a specific manufacturer. Clearly, Abbott interpreted the complaint in this fashion, for it moved for dismissal on the ground that the complaint alleges that plaintiff "does not know the identity of the drug . . . ingested" by her mother. Thus, Abbott may not now claim that the complaint is insufficient to raise the issue involved in this appeal.

The trial court did not determine other issues raised by the complaint, such as whether the case was properly brought as a class action.

[4]Abbott Laboratories, Eli Lilly and Company, E.R. Squibb and Sons, The Upjohn Company, and Rexall Drug Company are respondents. The action was dismissed or the appeal abandoned on various grounds as to other defendants named in the complaint; e.g., one defendant demonstrated it had not manufactured DES during the period plaintiff's mother took the drug.

Company, and Rexall Drug Company.[5] Subsequent to the dismissal of her action against these defendants, Rogers amended the complaint to allege that Eli Lilly and Company, one of the defendants named in her complaint, had manufactured the drug used by her mother. Although Sindell's action and the present case have been consolidated on appeal, much of the discussion which follows will apply to Rogers only if she does not succeed in establishing that Eli Lilly and Company manufactured the DES taken by her mother. "Plaintiff" as used in this opinion refers to Sindell, and we discuss only the allegations of Sindell's complaint.

This case is but one of a number filed throughout the country seeking to hold drug manufacturers liable for injuries allegedly resulting from DES prescribed to the plaintiffs' mothers since 1947.[6] According to a note in the Fordham Law Review, estimates of the number of women who took the drug during pregnancy ranged from 1½ million to 3 million. Hundreds, perhaps thousands, of the daughters of these women suffer from adenocarcinoma, and the incidence of vaginal adenosis among them is 30 to 90 percent. (Comment, *DES and a Proposed Theory of Enterprise Liability* (1978) 46 Fordham L.Rev. 963, 964-967 [hereafter Fordham Comment].) Most of the cases are still pending. With two exceptions,[7] those that have been decided resulted

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[5]While the trial court did not specify the ground upon which the demurrers were sustained, the points and authorities filed by the parties emphasized the failure of Rogers to identify a particular manufacturer as the source of her injuries, and we may assume for the purpose of this appeal that this was the basis of the court's order.

[6]DES was marketed under many different trade names.

[7]In a recent New York case a jury found in the plaintiff's favor in spite of her inability to identify a specific manufacturer of DES. An appeal is pending. (Bichler v. Eli Lilly and Co. (Sup.Ct.N.Y. 1979).) A Michigan appellate court recently held that plaintiffs had stated a cause of action against several manufactuers of DES even though identification could not be made. (Abel v. Eli Lilly and Co. (decided Dec. 5, 1979) Docket No. 60497.) That decision is on appeal to the Supreme Court of Michigan.

in judgments in favor of the drug company defendants because of the failure of the plaintiffs to identify the manufacturer of the DES prescribed to their mothers.[8] The same result was reached in a recent California case. (*McCreery v. Eli Lilly & Co.* (1978) 87 Cal.App.3d 77, 82-84.) The present action is another attempt to overcome this obstacle to recovery.

We begin with the proposition that, as a general rule, the imposition of liability depends upon a showing by the plaintiff that his or her injuries were caused by the act of the defendant or by an instrumentality under the defendant's control. The rule applies whether the injury resulted from an accidental event (e.g., Shunk v. Bosworth (6th Cir. 1964) 334 F.2d 309) or from the use of a defective product. (E.g., Wetzel v. Eaton Corporation (D.Minn. 1973) 62 F.R.D. 22, 29-30; Garcia v. Joseph Vince Co. (1978) 84 Cal.App.3d 868, 873-875; and see annot. collection of cases in 51 A.L.R.3d 1344, 1351; 1 Hursh and Bailey, American Law of Products Liability 2d (1974) p. 125.)

There are, however, exceptions to this rule. Plaintiff's complaint suggests several bases upon which defendants may be held liable for her injuries even though she cannot demonstrate the name of the manufacturer which produced the DES actually taken by her mother. The first of these theories, classically illustrated by Summers v. Tice (1948) 33 Cal.2d 80, places the burden of proof of causation upon tortious defendants in certain circumstances. The second

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[8]E.g., Gray v. United States (S.D. Texas 1978) 445 F.Supp. 337. In their briefs, defendants refer to a number of other cases in which trial courts have dismissed actions in DES cases on the ground stated above.

basis of liability emerging from the complaint is that defendants acted in concert to cause injury to plaintiff. There is a third and novel approach to the problem, sometimes called the theory of "enterprise liability," but which we prefer to designate by the more accurate term of "industry-wide" liability,[9] which might obviate the necessity for identifying the manufacturer of the injury-causing drug. We shall conclude that these doctrines, as previously interpreted, may not be applied to hold defendants liable under the allegations of this complaint. However, we shall propose and adopt a fourth basis for permitting the action to be tried, grounded upon an extension of the *Summers* doctrine.

I

Plaintiff places primary reliance upon cases which hold that if a party cannot identify which of two or more defendants caused an injury, the burden of proof may shift to the defendants to show that they were not responsible for the harm. This principle is sometimes referred to as the "alternative liability" theory.

The celebrated case of Summers v. Tice, supra, 33 Cal.2d 80, a unanimous opinion of this court, best exemplifies the rule. In *Summers*, the plaintiff was injured when two hunters negligently shot in his direction. It could not be determined which of them had fired the shot which actually caused the injury to the plaintiff's eye, but both defendants were nevertheless held jointly and severally liable for the whole of the damages. We reasoned that both were wrongdoers, both were negligent toward the plaintiff, and that it would be unfair to require plaintiff to isolate the defendant respon-

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[9]The term "enterprise liability" is sometimes used broadly to mean that losses caused by an enterprise should be borne by it. (Klemme, Enterprise Liability (1976) 47 Colo. L.Rev. 153, 158.)

sible, because if the one pointed out were to escape liability, the other might also, and the plaintiff-victim would be shorn of any remedy. In these circumstances, we held, the burden of proof shifted to the defendants, "each to absolve himself if he can." (*Id.*, p. 86.) We stated that under these or similar circumstances a defendant is ordinarily in a "far better position" to offer evidence to determine whether he or another defendant caused the injury.

In *Summers*, we relied upon Ybarra v. Spangard (1944) 25 Cal.2d 486. There, the plaintiff was injured while he was unconscious during the course of surgery. He sought damages against several doctors and a nurse who attended him while he was unconscious. We held that it would be unreasonable to require him to identify the particular defendant who had performed the alleged negligent act because he was unconscious at the time of the injury and the defendants exercised control over the instrumentalities which caused the harm. Therefore, under the doctrine of res ipsa loquitur, an inference of negligence arose that defendants were required to meet by explaining their conduct.[10]

The rule developed in *Summers* has been embodied in the Restatement of Torts. (Rest.2d Torts, § 433B, subsec.

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[10]Other cases cited by plaintiff for the proposition stated in *Summers* are only peripherally relevant. For example, in Ray v. Alad Corporation (1977) 19 Cal.3d 22, the plaintiff brought an action in strict liability for personal injuries sustained when he fell from a defective ladder manufactured by the defendant's predecessor corporation. We held that, although under the general rule governing corporate succession the defendant could not be held responsible, nevertheless a "special departure" from that rule was justified in the particular circumstances. The defendant had succeeded to the good will of the manufacturer of the ladder, and it could obtain insurance against the risk of liability, whereas the plaintiff would be left without redress if he could not hold the defendant liable. The question whether one corporation should, for policy reasons, be answerable for the products manufactured by its predecessor is a different issue than that we describe above.

(3).)[11] Indeed, the *Summers* facts are used as an illustration (p. 447).

Defendants assert that these principles are inapplicable here. First, they insist that a predicate to shifting the burden of proof under *Summers-Ybarra* is that the defendants must have greater access to information regarding the cause of the injuries than the plaintiff, whereas in the present case the reverse appears.

Plaintiff does not claim that defendants are in a better position than she to identify the manufacturer of the drug taken by her mother or, indeed, that they have the ability to do so at all, but argues, rather that *Summers* does not impose such a requirement as a condition to the shifting of the burden of proof. In this respect we believe plaintiff is correct.

In *Summers*, the circumstances of the accident themselves precluded an explanation of its cause. To be sure, *Summers* states that defendants are "[o]rdinarily . . . in a far better position to offer evidence to determine which one caused the injury" than a plaintiff (33 Cal.2d 80, at p. 86), but the decision does not determine that this "ordinary" situation was present. Neither the facts nor the language of the opinion indicate that the two defendants, simultaneously shooting in the same direction, were in a better position than the

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[11]Section 433B, subsection (3) of the Restatement provides: "Where the conduct of two or more actors is tortious, and it is proved that harm has been caused to the plaintiff by only one of them, but there is uncertainty as to which one has caused it, the burden is upon each such actor to prove that he has not caused the harm." The reason underlying the rule is "the injustice of permitting proved wrongdoers, who among them have inflicted an injury upon the entirely innocent plaintiff, to escape liability merely because the nature of their conduct and the resulting harm has made it difficult or impossible to prove which of them has caused the harm." (Rest.2d Torts, § 433B, com. f, p. 446.)

plaintiff to ascertain whose shot caused the injury. As the opinion acknowledges, it was impossible for the trial court to determine whether the shot which entered the plaintiff's eye came from the gun of one defendant or the other. Nevertheless, burden of proof was shifted to the defendants.

Here, as in *Summers*, the circumstances of the injury appear to render identification of the manufacturer of the drug ingested by plaintiff's mother impossible by either plaintiff or defendants, and it cannot reasonably be said that one is in a better position than the other to make the identification. Because many years elapsed between the time the drug was taken and the manifestation of plaintiff's injuries she, and many other daughters of mothers who took DES, are unable to make such identification.[12] Certainly there can be no implication that plaintiff is at fault in failing to do so — the event occurred while plaintiff was *in utero*, a generation ago.[13]

On the other hand, it cannot be said with assurance that defendants have the means to make the identification. In this connection, they point out that drug manufacturers ordinarily have no direct contact with the patients who take a drug prescribed by their doctors. Defendants sell to whole-

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[12]The trial court was not required to determine whether plaintiff had made sufficient efforts to establish identification since it concluded that her failure to do so was fatal to her claim. The court accepted at face value plaintiff's assertion that she could not make the identification, and for purposes of this appeal we make the same assumption.

[13]Defendants maintain that plaintiff is in a better position than they are to identify the manufacturer because her mother might recall the name of the prescribing physician or the hospital or pharmacy where the drug originated, and might know the brand and strength of dosage, the appearance of the medication, or other details from which the manufacturer might be identified, whereas they possess none of this information. As we point out in footnote 12, we assume for purposes of this appeal that plaintiff cannot point to any particular manufacturer as the producer of the DES taken by her mother.

salers, who in turn supply the product to physicians and pharmacies. Manufacturers do not maintain records of the persons who take the drugs they produce, and the selection of the medication is made by the physician rather than the manufacturer. Nor do we conclude that the absence of evidence on this subject is due to the fault of defendants. While it is alleged that they produced a defective product with delayed effects and without adequate warnings, the difficulty or impossibility of identification results primarily from the passage of time rather than from their allegedly negligent acts of failing to provide adequate warnings. Thus Haft v. Lone Palm Hotel (1970) 3 Cal.3d 756, upon which plaintiff relies, is distinguishable.[14]

It is important to observe, however, that while defendants do not have means superior to plaintiff to identify the maker of the precise drug taken by her mother, they may in some instances be able to prove that they did not manufacture the injury-causing substance. In the present case, for example, one of the original defendants was dismissed from the action

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[14]In *Haft*, a father and his young son drowned in defendants' swimming pool. There were no witnesses to the accident. Defendants were negligent in failing to provide a lifeguard, as required by law. We held that the absence of evidence of causation was a direct and foreseeable result of the defendants' negligence, and that, therefore, the burden of proof on the issue of causation was upon defendants. Plaintiff attempts to bring herself within this holding. She asserts that defendants' failure to discover or warn of the dangers of DES and to label the drug as experimental caused her mother to fail to keep records or remember the brand name of the drug prescribed to her "since she was unaware of any reason to do so for a period of 10 to 20 years." There is no proper analogy to *Haft* here. While in *Haft* the presence of a lifeguard on the scene would have provided a witness to the accident and probably prevented it, plaintiff asks us to speculate that if the DES taken by her mother had been labelled as an experimental drug, she would have recalled or recorded the name of the manufacturer and passed this information on to her daughter. It cannot be said here that the absence of evidence of causation was a "direct and foreseeable result" of defendants' failure to provide a warning label.

upon proof that it did not manufacture DES until after plaintiff was born.

Thus we conclude that the fact defendants do not have greater access to information which might establish the identity of the manufacturer of the DES which injured plaintiff does not per se prevent application of the *Summers* rule.

Nevertheless, plaintiff may not prevail in her claim that the *Summers* rationale should be employed to fix the whole liability for her injuries upon defendants, at least as those principles have previously been applied.[15] There is an important difference between the situation involved in *Summers* and the present case. There, all the parties who were or could have been responsible for the harm to the plaintiff were joined as defendants. Here, by contrast, there are approximately 200 drug companies which made DES, any of which might have manufactured the injury-producing drug.[16]

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[15]Plaintiff relies upon three older cases for the proposition that the burden of proof may be shifted to defendants to explain the cause of an accident even if less than all of them are before the court. (Benson v. Ross (Mich. 1906) 106 N.W. 1120; Moore v. Foster (Miss. 1938) 180 So. 73; Oliver v. Miles (Miss. 1927) 110 So. 666.) These cases do not relate to the shifting of the burden of proof; rather, they imposed liability upon one of two or more joint tortfeasors on the ground that they acted in concert in committing a negligent act. This theory of concerted action as a basis for defendants' liability will be discussed *infra*. In *Summers*, we stated that these cases were "straining" the concept of concerted action and that the "more reasonable" basis for holding defendants jointly liable when more than one of them had committed a tort and plaintiff could not establish the identity of the party who had caused the damage was the danger that otherwise two negligent parties might be exonerated. (*Summers*, 33 Cal.2d 80, at pp. 84-85.)

[16]According to the Restatement, the burden of proof shifts to the defendants only if the plaintiff can demonstrate that all defendants acted tortiously and that the harm resulted from the conduct of one of them. (Rest.2d Torts, § 433B, com. g, p. 446.) It goes on to state that the rule thus far has been applied only where all the actors involved are joined as defendants and where the conduct of all is simultaneous in time, but cases might arise in which some modification of the rule would be necessary if one of the actors is or cannot be joined, or because of the effects of lapse of time, or other circumstances. (*Id.*, com. h, p. 446.)

Defendants maintain that, while in *Summers* there was a 50 percent chance that one of the two defendants was responsible for the plaintiff's injuries, here since any one of 200 companies which manufactured DES might have made the product which harmed plaintiff, there is no rational basis upon which to infer that any defendant in this action caused plaintiff's injuries, nor even a reasonable possibility that they were responsible.[17]

These arguments are persuasive if we measure the chance that any one of the defendants supplied the injury-causing drug by the number of possible tortfeasors. In such a context, the possibility that any of the five defendants supplied the DES to plaintiff's mother is so remote that it would be unfair to require each defendant to exonerate itself. There may be a substantial likelihood that none of the five defendants joined in the action made the DES which caused the injury, and that the offending producer not named would escape liability altogether. While we propose, *infra*, an adaptation of the rule in *Summers* which will substantially overcome these difficulties, defendants appear to be correct that the rule, as previously applied, cannot relieve plaintiff

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[17]Defendants claim further that the effect of shifting the burden of proof to them to demonstrate that they did not manufacture the DES which caused the injury would create a rebuttable presumption that one of them made the drug taken by plaintiff's mother, and that this presumption would deny them due process because there is no rational basis for the inference.

of the burden of proving the identity of the manufacturer which made the drug causing her injuries.[18]

II

The second principle upon which plaintiff relies is the so-called "concert of action" theory. Preliminarily, we briefly describe the procedure a drug manufacturer must follow before placing a drug on the market. Under federal law as it read prior to 1962, a new drug was defined as one "not generally recognized as . . . safe." (§ 102, 76 Stat. 781 (Oct. 10, 1962).) Such a substance could be marketed only if a new drug application had been filed with the Food and Drug Administration and had become "effective."[19] If the agency determined that a product was no longer a "new drug," i.e., that it was "generally recognized as . . . safe," (21 U.S.C.A. § 321, subd. (p)(1)) it could be manufactured by any drug company without submitting an application to the agency. Acording to defendants, 123 new drug appli-

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[18]Garcia v. Joseph Vince Co., supra, 84 Cal.App.3d 868, relied upon by defendants, presents a distinguishable factual situation. The plaintiff in *Garcia* was injured by a defective saber. He was unable to identify which of two manufacturers had produced the weapon because it was commingled with other sabers after the accident. In a suit against both manufacturers, the court refused to apply the *Summers* rationale on the ground that the plaintiff had not shown that either defendant had violated a duty to him. Thus in *Garcia*, only one of the two defendants was alleged to have manufactured a defective product, and the plaintiff's inability to identify which of the two was negligent resulted in a judgment for both defendants. (See also Wetzel v. Eaton, supra, 62 F.R.D. 22.) Here, by contrast, the DES manufactured by all defendants is alleged to be defective, but plaintiff is unable to demonstrate which of the defendants supplied the precise DES which caused her injuries.

[19]A new drug application became "effective" automatically if the Secretary of Health, Education and Welfare failed within a certain period of time to disapprove the application. If the agency had insufficient information to decide whether the drug was safe or had information that it was unsafe, the application was denied. (§ 505,52 Stat. 1052 (June 25, 1938).) Since 1962, affirmative approval of an application has been required before a new drug may be marketed. (21 U.S.C.A. § 355, subd. (c).)

cations for DES had been approved by 1952, and in that year DES was declared not to be a "new drug," thus allowing any manufacturer to produce it without prior testing and without submitting a new drug application to the Food and Drug Administration.

With this background we consider whether the complaint states a claim based upon "concert of action" among defendants. The elements of this doctrine are prescribed in section 876 of the Restatement of Torts. The section provides, "For harm resulting to a third person from the tortious conduct of another, one is subject to liability if he (a) does a tortious act in concert with the other or pursuant to a common design with him, or (b) knows that the other's conduct constitutes a breach of duty and gives substantial assistance or encouragement to the other so to conduct himself, or (c) gives substantial assistance to the other in accomplishing a tortious result and his own conduct, separately considered, constitutes a breach of duty to the third person." With respect to this doctrine, Prosser states that "those who, in pursuance of a common plan or design to commit a tortious act, actively take part in it, or further it by cooperation or request, or who lend aid or encouragement to the wrongdoer, or ratify and adopt his acts done for their benefit, are equally liable with him. [¶] Express agreement is not necessary, and all that is required is that there be a tacit understanding. . . ." (Prosser, Law of Torts (4th ed. 1971), sec. 46, p. 292.)

Plaintiff contends that her complaint states a cause of action under these principles. She alleges that defendants' wrongful conduct "is the result of planned and concerted action, express and implied agreements, collaboration in, reliance upon, acquiescence in and ratification, exploitation and adoption of each other's testing, marketing methods, lack of warnings . . . and other acts or omissions . . ." and

that "acting individually and in concert, [defendants] promoted, approved, authorized, acquiesced in, and reaped profits from sales" of DES. These allegations, plaintiff claims, state a "tacit understanding" among defendants to commit a tortious act against her.

In our view, this litany of charges is insufficient to allege a cause of action under the rules stated above. The gravamen of the charge of concert is that defendants failed to adequately test the drug or to give sufficient warning of its dangers and that they relied upon the tests performed by one another and took advantage of each others' promotional and marketing techniques. These allegations do not amount to a charge that there was a tacit understanding or a common plan among defendants to fail to conduct adequate tests or give sufficient warnings, and that they substantially aided and encouraged one another in these omissions.

The complaint charges also that defendants produced DES from a "common and mutually agreed upon formula," allowing pharmacists to treat the drug as a "fungible commodity" and to fill prescriptions from whatever brand of DES they had on hand at the time. It is difficult to understand how these allegations can form the basis of a cause of action for wrongful conduct by defendants, acting in concert. The formula for DES is a scientific constant. It is set forth in the United States Pharmacopoeia, and any manufacturer producing that drug must, with exceptions not relevant here, utilize the formula set forth in that compendium. (21 U.S.C.A. § 351, subd. (b).)

What the complaint appears to charge is defendants' parallel or imitative conduct in that they relied upon each others' testing and promotion methods. But such conduct describes a common practice in industry: a producer avails himself of the experience and methods of others making the same or similar products. Application of the concept of

concert of action to this situation would expand the doctrine far beyond its intended scope and would render virtually any manufacturer liable for the defective products of an entire industry, even if it could be demonstrated that the product which caused the injury was not made by the defendant.

None of the cases cited by plaintiff supports a conclusion that defendants may be held liable for concerted tortious acts. They involve conduct by a small number of individuals whose actions resulted in a tort against a single plaintiff, usually over a short span of time, and the defendant held liable was either a direct participant in the acts which caused damage,[20] or encouraged and assisted the person who directly caused the injuries by participating in a joint activity.[21]

Orser v. George (1967) 252 Cal.App.2d 660, upon which plaintiff primarily relies, is also distinguishable. There, three hunters negligently shot at a mudhen in decedent's direction. Two of them shot alternately with the gun which released the bullet resulting in the fatal wound, and the third, using a different gun, fired alternately at the same target, shooting in the same line of fire, perhaps acting tortiously. It was held that there was a possibility the third hunter knew the conduct of the others was tortious toward

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[20]Weinberg Co. v. Bixby (1921) 185 Cal. 87, 103, involved a husband who was held liable with his wife for wrongful diversion of flood waters although he had given his wife title to the land upon which the outlet causing the diversion was constructed. He not only owned land affected by the flood waters, but he was his wife's agent for the purpose of reopening the outlet which caused the damage. In Meyer v. Thomas (1936) 18 Cal.App.2d 299, 305-306, both defendants participated in the conversion of a note and deed of trust.

[21]In Agovino v. Kunze (1960) 181 Cal.App.2d 591, 599, a participant in a drag race was held liable for injuries to a plaintiff who collided with the car of another racer. In Loeb v. Kimmerle (1932) 215 Cal. 143, 151, a defendant who encouraged another defendant to commit an assault was held jointly liable for the plaintiff's injuries. Also see Weirum v. RKO General, Inc. (1975) 15 Cal.3d 40.

the decedent and gave them substantial assistance and encouragement, and that it was also possible his conduct, separately considered, was a breach of duty toward decedent. Thus, the granting of summary judgment was reversed as to the third hunter.

The situation in *Orser* is similar to Agovino v. Kunze, supra, 181 Cal.App.2d 591, in which liability was imposed upon a participant in a drag race, rather than to the facts alleged in the present case. There is no allegation here that each defendant knew the other defendants' conduct was tortious toward plaintiff, and that they assisted and encouraged one another to inadequately test DES and to provide inadequate warnings. Indeed, it seems dubious whether liability on the concert of action theory can be predicated upon substantial assistance and encouragement given by one alleged tortfeasor to another pursuant to a tacit understanding to fail to perform an act. Thus, there was no concert of action among defendants within the meaning of that doctrine.

III

A third theory upon which plaintiff relies is the concept of industry-wide liability, or according to the terminology of the parties, "enterprise liability." This theory was suggested in Hall v. E. I. Du Pont de Nemours & Co., Inc. (E.D.N.Y. 1972) 345 F.Supp. 353. In that case, plaintiffs were 13 children injured by the explosion of blasting caps in 12 separate incidents which occurred in 10 different states between 1955 and 1959. The defendants were six blasting cap manufacturers, comprising virtually the entire blasting cap industry in the United States, and their trade association. There were, however, a number of Canadian blasting cap manufacturers which could have supplied the caps. The gravamen of the complaint was that the practice of the industry of omitting a warning on individual blasting caps

and of failing to take other safety measures created an unreasonable risk of harm, resulting in the plaintiffs' injuries. The complaint did not identify a particular manufacturer of a cap which caused a particular injury.[22]

The court reasoned as follows: there was evidence that defendants, acting independently, had adhered to an industry-wide standard with regard to the safety features of blasting caps, that they had in effect delegated some functions of safety investigation and design, such as labelling, to their trade association, and that there was industry-wide cooperation in the manufacture and design of blasting caps. In these circumstances, the evidence supported a conclusion that all the defendants jointly controlled the risk. Thus, if plaintiffs could establish by a preponderance of the evidence that the caps were manufactured by one of the defendants,

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[22]We deliberately employ the term "suggested" to describe the effect of the *Hall* opinion because of the uncertain posture of the decision as authority. The defendants moved to dismiss the action on the ground that the plaintiffs had not stated a claim, and they also sought to sever the claims of the various plaintiffs and transfer them to the district court in the place where each accident occurred. The opinion discusses various possible bases of liability, including industry-wide liability, upon the assumption that there existed a national body of state tort law. (345 F.Supp. at p. 360.) At the conclusion of its opinion, the court called for briefs on the choice-of-law issues involved in the case. In a subsequent opinion, the same court decided, after briefs had been filed on the choice-of-law question, that the plaintiffs' claims should be severed, and it transferred each one to the federal court sitting in the district where the accident occurred. (Chance v. E. I. Du Pont de Nemours & Co., Inc. (E.D.N.Y. 1974) 371 F.Supp. 439.) Thereafter, the transferred cases resulted in judgments for defendants upon various grounds unrelated to the theory of industry-wide liability. (Lehtonen v. E. I. Du Pont de Nemours & Co., Inc. (D. Mont. 1975) 389 F.Supp. 633 [failure to amend complaint within 30 days]; Davis v. E. I. Du Pont de Nemours & Co., Inc. (W.D.N.C. 1974) 400 F.Supp. 1347 [statute of limitations]; Ball v. E. I. Du Pont de Nemours & Co., Inc. (6th Cir. 1975) 519 F.2d 715 [jury verdict in favor of defendant after plaintiff identified the manufacturer of the blasting cap which caused his injuries].) The parties have not indicated the status of the remaining cases transferred.

the burden of proof as to causation would shift to all the defendants. The court noted that this theory of liability applied to industries composed of a small number of units, and that what would be fair and reasonable with regard to an industry of five or ten producers might be manifestly unreasonable if applied to a decentralized industry composed of countless small producers.[23]

Plaintiff attempts to state a cause of action under the rationale of *Hall*. She alleges joint enterprise and collaboration among defendants in the production, marketing, promotion and testing of DES, and "concerted promulgation and adherence to industry-wide testing, safety, warning and efficacy standards" for the drug. We have concluded above that allegations that defendants relied upon one another's testing and promotion methods do not state a cause of action for concerted conduct to commit a tortious act. Under the theory of industry-wide liability, however, each manufacturer could be liable for all injuries caused by DES by virtue of adherence to an industry-wide standard of safety.

In the Fordham Comment, the industry-wide theory of liability is discussed and refined in the context of its applicability to actions alleging injuries resulting from DES. The author explains causation under that theory as follows, ". . . [T]he industrywide standard becomes itself the cause of plaintiff's injury, just as defendants' joint plan is the cause of injury in the traditional concert of action plea. Each defendant's adherence perpetuates this standard, which re-

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[23]In discussing strict liability, the *Hall* court mentioned the drug industry, stating, "In cases where manufacturers have more experience, more information, and more control over the risky properties of their products than do drug manufacturers, courts have applied a broader concept of forseeability which approaches the enterprise liability rationale." (345 F.Supp. 353 at p. 370.)

sults in the manufacture of the particular, unidentifiable injury-producing product. Therefore, each industry member has contributed to plaintiff's injury." (Fordham Comment, supra, at p. 997.)

The Comment proposes seven requirements for a cause of action based upon industry-wide liability,[24] and suggests that if a plaintiff proves these elements, the burden of proof of causation should be shifted to the defendants, who may exonerate themselves only by showing that their product could not have caused the injury.[25]

We decline to apply this theory in the present case. At least 200 manufacturers produced DES; *Hall*, which involved 6 manufacturers representing the entire blasting cap

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[24]The suggested requirements are as follows:

1. There existed an insufficient, industry-wide standard of safety as to the manufacture of the product.

2. Plaintiff is not at fault for the absence of evidence identifying the causative agent but, rather, this absence of proof is due to defendant's conduct.

3. A generically similar defective product was manufactured by all the defendants.

4. Plaintiff's injury was caused by this defect.

5. Defendants owed a duty to the class of which plaintiff was a member.

6. There is clear and convincing evidence that plaintiff's injury was caused by a product made by one of the defendants. For example, the joined defendants accounted for a high percentage of such defective products on the market at the time of plaintiff's injury.

7. All defendants were tortfeasors.

[25]The Fordham Comment takes exception to one aspect of the theory of industry-wide liability as set forth in *Hall*, i.e., the conclusion that a plaintiff is only required to show by a preponderence of the evidence that one of the defendants manufactured the product which caused her injury. The Comment suggests that a plaintiff be required to prove by clear and convincing evidence that one of the defendants before the court was responsible and that this standard of proof would require that the plaintiff join in the action the producers of 75 or 80 percent of the DES prescribed for prevention of miscarriage. It is also suggested that the damages be apportioned among the defendants according to their share of the market for DES. (Fordham Comment, supra, 999-1000.)

industry in the United States, cautioned against application of the doctrine espoused therein to a large number of producers. (345 F.Supp. at p. 378.) Moreover, in *Hall*, the conclusion that the defendants jointly controlled the risk was based upon allegations that they had delegated some functions relating to safety to a trade association. There are no such allegations here, and we have concluded above that plaintiff has failed to allege liability on a concert of action theory.

Equally important, the drug industry is closely regulated by the Food and Drug Administration, which actively controls the testing and manufacture of drugs and the method by which they are marketed, including the contents of warning labels.[26] To a considerable degree, therefore, the standards followed by drug manufacturers are suggested or compelled by the government. Adherence to those standards cannot, of course, absolve a manufacturer of liability to which it would otherwise be subject. (Stevens v. Parke, Davis & Co. (1973) 9 Cal.3d 51, 65.) But since the government plays such a pervasive role in formulating the criteria for the testing and marketing of drugs, it would be unfair to impose upon a manufacturer liability for injuries resulting from the use of a drug which it did not supply simply because it followed the standards of the industry.[27]

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[26]Federal regulations may specify the type of tests a manufacturer must perform for certain drugs (21 C.F.R. § 436.206 et seq.), the type of packaging used (§ 429.10), the warnings which appear on labels (§ 369.20), and the standards to be followed in the manufacture of a drug (§ 211.22 et seq.).

[27]Abel v. Eli Lilly and Company, the Michigan case referred to above which held that the plaintiffs had stated a cause of action against several manufacturers of DES even though they could not identify a particular manufacturer as the source of a particular injury (see fn. 7, *ante*), relied upon the theories of concerted action and alternative liability.

IV

If we were confined to the theories of *Summers* and *Hall*, we would be constrained to hold that the judgment must be sustained. Should we require that plaintiff identify the manufacturer which supplied the DES used by her mother or that all DES manufacturers be joined in the action, she would effectively be precluded from any recovery. As defendants candidly admit, there is little likelihood that all the manufacturers who made DES at the time in question are still in business or that they are subject to the jurisdiction of the California courts. There are, however, forceful arguments in favor of holding that plaintiff has a cause of action.

In our contemporary complex industrialized society, advances in science and technology create fungible goods which may harm consumers and which cannot be traced to any specific producer. The response of the courts can be either to adhere rigidly to prior doctrine, denying recovery to those injured by such products, or to fashion remedies to meet these changing needs. Just as Justice Traynor in his landmark concurring opinion in Escola v. Coca Cola Bottling Company (1944) 24 Cal.2d 453, 467-468, recognized that in an era of mass production and complex marketing methods the traditional standard of negligence was insufficient to govern the obligations of manufacturer to consumer, so should we acknowledge that some adaptation of the rules of causation and liability may be appropriate in these recurring circumstances. The Restatement comments that modification of the *Summers* rule may be necessary in a situation like that before us. (See fn. 16, ante.)

The most persuasive reason for finding plaintiff states a cause of action is that advanced in *Summers*: as between an innocent plaintiff and negligent defendants, the latter should bear the cost of the injury. Here, as in *Summers*,

plaintiff is not at fault in failing to provide evidence of causation, and although the absence of such evidence is not attributable to the defendants either, their conduct in marketing a drug the effects of which are delayed for many years played a significant role in creating the unavailability of proof.

From a broader policy standpoint, defendants are better able to bear the cost of injury resulting from the manufacture of a defective product. As was said by Justice Traynor in *Escola*, "[t]he cost of an injury and the loss of time or health may be an overwhelming misfortune to the person injured, and a needless one, for the risk of injury can be insured by the manufacturer and distributed among the public as a cost of doing business." (24 Cal.2d p. 462; see also Rest.2d Torts, § 402A, com. c, pp. 349-350.) The manufacturer is in the best position to discover and guard against defects in its products and to warn of harmful effects; thus, holding it liable for defects and failure to warn of harmful effects will provide an incentive to product safety. (Cronin v. J.B.E. Olson Corp. (1972) 8 Cal.3d 121, 129; Beech Aircraft Corp. v. Superior Court (1976) 61 Cal.App.3d 501, 522-523.) These considerations are particularly significant where medication is involved, for the consumer is virtually helpless to protect himself from serious, sometimes permanent, sometimes fatal, injuries caused by deleterious drugs.

Where, as here, all defendants produced a drug from an identical formula and the manufacturer of the DES which caused plaintiff's injuries cannot be identified through no fault of plaintiff, a modification of the rule of *Summers* is warranted. As we have seen, an undiluted *Summers* rationale is inappropriate to shift the burden of proof of causation to defendants because if we measure the chance that any particular manufacturer supplied the injury-causing product by

the number of producers of DES, there is a possibility that none of the five defendants in this case produced the offending substance and that the responsible manufacturer, not named in the action, will escape liability.

But we approach the issue of causation from a different perspective: we hold it to be reasonable in the present context to measure the likelihood that any of the defendants supplied the product which allegedly injured plaintiff by the percentage which the DES sold by each of them for the purpose of preventing miscarriage bears to the entire production of the drug sold by all for that purpose. Plaintiff asserts in her briefs that Eli Lilly and Company and 5 or 6 other companies produced 90 percent of the DES marketed. If at trial this is established to be the fact, then there is a corresponding likelihood that this comparative handful of producers manufactured the DES which caused plaintiff's injuries, and only a 10 percent likelihood that the offending producer would escape liability.[28]

If plaintiff joins in the action the manufacturers of a substantial share of the DES which her mother might have taken, the injustice of shifting the burden of proof to defendants to demonstrate that they could not have made the substance which injured plaintiff is significantly diminished. While 75 to 80 percent of the market is suggested as the

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[28]The Fordham Comment explains the connection between percentages of market share and liability as follows: "[I]f X Manufacturer sold one-fifth of all the DES prescribed for pregnancy and identification could be made in all cases, X would be the sole defendant in approximately one-fifth of all cases and liable for all the damages in those cases. Under alternative liability, X would be joined in all cases in which identification could not be made, but liable for only one-fifth of the total damages in these cases. X would pay the same amount either way. Although the correlation is not, in practice, perfect [footnote omitted], it is close enough so that defendants' objections on the ground of fairness lose their value." (Fordham Comment, supra, at p. 94.)

requirement by the Fordham Comment (at p. 996), we hold only that a substantial percentage is required.

The presence in the action of a substantial share of the appropriate market also provides a ready means to apportion damages among the defendants. Each defendant will be held liable for the proportion of the judgment represented by its share of that market unless it demonstrates that it could not have made the product which caused plaintiff's injuries. In the present case, as we have seen, one DES manufacturer was dismissed from the action upon filing a declaration that it had not manufactured DES until after plaintiff was born. Once plaintiff has met her burden of joining the required defendants, they in turn may cross-complain against other DES manufacturers, not joined in the action, which they can allege might have supplied the injury-causing product.

Under this approach, each manufacturer's liability would approximate its responsibility for the injuries caused by its own products. Some minor discrepancy in the correlation between market share and liability is inevitable; therefore, a defendant may be held liable for a somewhat different percentage of the damage than its share of the appropriate market would justify. It is probably impossible, with the passage of time, to determine market share with mathematical exactitude. But just as a jury cannot be expected to determine the precise relationship between fault and liability in applying the doctrine of comparative fault (Li v. Yellow Cab Co. (1975) 13 Cal.3d 804) or partial indemnity (American Motorcycle Assn. v. Superior Court (1978) 20 Cal.3d 578), the difficulty of apportioning damages among the defendant producers in exact relation to their market share does not seriously militate against the rule we adopt. As we said in *Summers* with regard to the liability of independent tortfeasors, where a correct division of liability

cannot be made "the trier of fact may make it the best it can." (33 Cal.2d at p. 88.)

We are not unmindful of the practical problems involved in defining the market and determining market share,[29] but these are largely matters of proof which properly cannot be determined at the pleading stage of these proceedings. Defendants urge that it would be both unfair and contrary to public policy to hold them liable for plaintiff's injuries in the absence of proof that one of them supplied the drug responsible for the damage. Most of their arguments, however, are based upon the assumption that one manufacturer would be held responsible for the products of another or for those of all other manufacturers if plaintiff ultimately prevails. But under the rule we adopt, each manufacturer's liability for an injury would be approximately equivalent to the damages caused by the DES it manufactured.[30]

The judgments are reversed.

Mosh, *J.*

We Concur:

Bird, *C.J.*

Newman, *J.*

*White, *J.*

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[29]Defendants assert that there are no figures available to determine market share, that DES was provided for a number of uses other than to prevent miscarriage and it would be difficult to ascertain what proportion of the drug was used as a miscarriage preventative, and that the establishment of a time frame and area for market share would pose problems.

[30]The dissent concludes by implying the problem will disappear if the Legislature appropriates funds "for the education, identification, and screening of persons exposed to DES." While such a measure may arguably be helpful in the abstract, it does not address the issue involved here: damages for injuries which have been or will be suffered. Nor, as a principle, do we see any justification for shifting the financial burden for such damages from drug manufactuers to the taxpayers of California.

*Assigned by the Chairman of the Judicial Council.

SINDELL v. ABBOTT LABORATORIES
ROGERS v. REXALL DRUG CO.
L.A. 31063

DISSENTING OPINION BY RICHARDSON, J.

I respectfully dissent. In these consolidated cases the majority adopts a wholly new theory which contains these ingredients: The plaintiffs were not alive at the time of the commission of the tortious acts. They sue a generation later. They are permitted to receive substantial damages from multiple defendants without any proof that any defendant caused or even probably caused plaintiffs' injuries.

Although the majority purports to change only the required burden of proof by shifting it from plaintiffs to defendants, the effect of its holding is to guarantee that plaintiffs will prevail on the causation issue because defendants are no more capable of disproving factual causation than plaintiffs are of proving it. "Market share" liability thus represents a new high water mark in tort law. The ramifications seem almost limitless, a fact which prompted one recent commentator, in criticizing a substantially identical theory, to conclude that "Elimination of the burden of proof as to identification [of the manufacturer whose drug injured plaintiff] would impose a liability which would exceed absolute liability." (Coggins, *Industry-Wide Liability* (1979) 13 Suffolk L.Rev. 980, 998, fn. omitted; see also, pp. 1000-1001.) In my view, the majority's departure from traditional tort doctrine is unwise.

The applicable principles of causation are very well established. A leading torts scholar, Dean Prosser, has authoritatively put it this way: "An *essential* element of the plaintiff's cause of action for negligence, *or for that matter for any other tort,* is that there be some reasonable connection between the act or omission of the defendant and

the damage which the plaintiff has suffered." (Prosser, Torts (4th ed. 1971) § 41, p. 236, italics added.) With particular reference to the matter before us, and in the context of products liability, the requirement of a causation element has been recognized as equally fundamental. "It is clear that any holding that a producer, manufacturer, seller, or a person in a similar position, is liable for injury caused by a particular product, must necessarily be predicated upon proof that the product in question was one for whose condition the defendant was in some way responsible. Thus, for example, if recovery is sought from a manufacturer, *it must be shown that he actually was the manufacturer of the product which caused the injury; . . .*" (1 Hursh & Bailey, American Law of Products Liability (2d ed. 1974) § 1:41, p. 125, italics added; accord, *Prosser*, supra, § 103, at pp. 671-672; 2 Dooley, Modern Tort Law (1977) § 32.03, p. 243.) Indeed, an inability to prove this causal link between defendant's conduct and plaintiff's injury has proven fatal in prior cases brought against manufacturers of DES by persons who were situated in positions identical to those of plaintiffs herein. (See McCreery v. Eli Lilly & Co. (1978) 87 Cal.App.3d 77, 82; Gray v. United States (D.Tex. 1978) 445 F.Supp. 337, 338.)

The majority now expressly abandons the foregoing traditional requirement of some causal connection between defendants' act and plaintiffs' injury in the creation of its new modified industry-wide tort. Conceptually, the doctrine of absolute liability which heretofore in negligence law has substituted only for the requirement of a breach of defendant's duty of care, under the majority's hand now subsumes the additional necessity of a causal relationship.

According to the majority, in the present case plaintiffs have openly conceded that they are unable to identify the particular entity which manufactured the drug consumed by

their mothers. In fact, plaintiffs have joined only *five* of the approximately *two hundred* drug companies which manufactured DES. Thus, the case constitutes far more than a mere factual variant upon the theme composed in Summers v. Tice (1948) 33 Cal.2d 80, where plaintiff joined as co-defendants the *only* two persons who could have injured him. As the majority must acknowledge, our *Summers* rule applies only to cases in which ". . . it is proved that harm has been caused to the plaintiff by . . . one of [the named defendants], but there is uncertainty as to which one has caused it, . . ." (Rest.2d Torts, § 433B, subd. (3).) In the present case, in stark contrast, it remains wholly speculative and conjectural whether *any* of the five named defendants actually caused plaintiffs' injuries.

The fact that plaintiffs cannot tie defendants to the injury-producing drug does not trouble the majority for it declares that the *Summers* requirement of proof of actual causation by a named defendant is satisfied by a joinder of those defendants who have *together* manufactured "*a substantial percentage*" of the DES which has been marketed. Notably lacking from the majority's expression of its new rule, unfortunately, is any definition or guidance as to what should constitute a "substantial" share of the relevant market. The issue is entirely open-ended and the answer, presumably, is anyone's guess.

Much more significant, however, is the consequence of this unprecedented extension of liability. Recovery is permitted from a handful of defendants *each* of whom *individually* may account for a comparatively small share of the relevant market, so long as the *aggregate* business of those who have been sued is deemed "substantial." In other words, a particular defendant may be held proportionately liable *even though mathematically it is much more likely than not that it played no role whatever in causing plaintiffs'*

injuries. Plaintiffs have strikingly capsulated their reasoning by insisting ". . . that while one manufacturer's product may not have injured a particular plaintiff, we can assume that it injured a different plaintiff and all we are talking about is a mere matching of plaintiffs and defendants." (Counsel's letter (Oct. 16, 1979) p. 3.) In adopting the foregoing rationale the majority rejects over 100 years of tort law which required that before tort liability was imposed a "matching" of defendant's conduct and plaintiff's injury was absolutely essential. Furthermore, in bestowing on plaintiffs this new largess the majority sprinkles the rain of liability upon all the joined defendants alike—those who may be tortfeasors and those who may have had nothing at all to do with plaintiffs' injury—and an added bonus is conferred. Plaintiffs are free to pick and choose their targets.

The "market share" thesis may be paraphrased. Plaintiffs have been hurt by *someone* who made DES. Because of the lapse of time no one can prove who made it. Perhaps it was not the named defendants who made it, but they did make some. Although DES was apparently safe at the time it was used, it was subsequently proven unsafe as to some daughters of some users. Plaintiffs have suffered injury and defendants are wealthy. There should be a remedy. Strict products liability is unavailable because the element of causation is lacking. Strike that requirement and label what remains "alternative" liability, "industry-wide" liability, or "market share" liability, proving thereby that if you hit the square peg hard and often enough the round holes will really become square, although you may splinter the board in the process.

The foregoing result is directly contrary to long established tort principles. Once again, in the words of Dean Prosser, the applicable rule is: "[Plaintiff] must introduce evidence which affords a reasonable basis for the conclusion

that it is more likely than not that the conduct of the defendant was a substantial factor in bringing about the result. *A mere possibility of such causation is not enough;* and when the matter remains one of pure speculation or conjecture, or the probabilities are at best evenly balanced, it becomes the duty of the court to direct a verdict for the defendant." (*Prosser*, supra, § 41, at p. 241, italics added, fns. omitted.) Under the majority's new reasoning, however, a defendant is fair game if it happens to be engaged in a similar business and causation is *possible*, even though remote.

In passing, I note the majority's dubious use of market share data. It is perfectly proper to use such information to assist in proving, circumstantially, that a particular defendant probably caused plaintiffs' injuries. Circumstantial evidence may be used as a basis for proving the requisite probable causation. (*Id.*, at p. 242.) The majority, however, authorizes the use of such evidence for an entirely different purpose, namely, to impose and allocate liability among multiple defendants only one of whom *may* have produced the drug which injured plaintiffs. Because this use of market share evidence does not implicate *any* particular defendant, I believe such data are entirely irrelevant and inadmissible, and that the majority errs in such use. In the absence of some statutory authority there is no legal basis for such use.

Although seeming to acknowledge that imposition of liability upon defendants who probably did not cause plaintiffs' injuries is unfair, the majority justifies this inequity on the ground that "each manufacturer's liability for an injury would be approximately equivalent to the damages caused by the DES it manufactured." (*Ante*, p. .... [maj. opn., at p. 35].) In other words, because each defendant's liability is proportionate to its market share, supposedly "each manufacturer's liability would approximate its re-

sponsibility for the injuries caused by his own products." (*Ante*, p. .... [maj. opn., at p. 33].) The majority dodges the "practical problems" thereby presented, choosing to describe them as "matters of proof." However, the difficulties, in my view, are not so easily ducked, for they relate not to evidentiary matters but to the fundamental question of liability itself.

Additionally, it is readily apparent that "market share" liability will fall unevenly and disproportionately upon those manufacturers who are amenable to suit in California. On the assumption that no other state will adopt so radical a departure from traditional tort principles, it may be concluded that under the majority's reasoning those defendants who are brought to trial in this state will bear effective joint responsibility for 100 percent of plaintiffs' injuries despite the fact that their "substantial" aggregate market share may be considerably less. This undeniable fact forces the majority to concede that, "a defendant may be held liable for a somewhat different percentage of the damage than its share of the appropriate market would justify." (*Ante*, p. ... [maj. opn., at p. 33].) With due deference, I suggest that the complete unfairness of such a result in a case involving only five of two hundred manufacturers is readily manifest.

Furthermore, several other important policy considerations persuade me that the majority holding is both inequitable and improper. The injustice inherent in the majority's new theory of liability is compounded by the fact that plaintiffs who use it are treated far more favorably than are the plaintiffs in routine tort actions. In most tort cases plaintiff knows the identity of the person who has caused his injuries. In such a case, plaintiff, of course, has no option to seek recovery from an entire industry or a "substantial" segment thereof, but in the usual instance can recover, if at all, only from the particular defendant causing

injury. Such a defendant may or may not be either solvent or amenable to process. Plaintiff in the ordinary tort case must take a chance that defendant can be reached and can respond financially. On what principle should those plaintiffs who wholly fail to prove any causation, an essential element of the traditional tort cause of action, be rewarded by being offered both a wider selection of potential defendants and a greater opportunity for recovery?

The majority attempts to justify its new liability on the ground that defendants herein are "better able to bear the cost of injury resulting from the manufacture of a defective product." (*Ante*, p. ... [maj. opn., at p. 30].) This "deep pocket" theory of liability, fastening liability on defendants presumably because they are rich, has understandable popular appeal and might be tolerable in a case disclosing substantially stronger evidence of causation than herein appears. But as a general proposition, a defendant's wealth is an unreliable indicator of fault, and should play no part, at least consciously, in the legal analysis of the problem. In the absence of proof that a particular defendant caused or at least probably caused plaintiff's injuries, a defendant's ability to bear the cost thereof is no more pertinent to the underlying issue of liability than its "substantial" share of the relevant market. A system priding itself on "*equal* justice under law" does not flower when the *liability* as well as the *damage* aspect of a tort action is determined by a defendant's wealth. The inevitable consequence of such a result is to create and perpetuate two rules of law—one applicable to wealthy defendants, and another standard pertaining to defendants who are poor or who have modest means. Moreover, considerable doubts have been expressed regarding the ability of the drug industry, and especially its smaller members, to bear the substantial economic costs (from both damage awards and high insurance premiums)

inherent in imposing an industry-wide liability. (See Coggins, supra, 13 Suffolk L.Rev. at pp. 1003-1006, 1010-1011.)

An important and substantial countervailing public policy in defendants' favor was very recently expressed in a similar DES case, McCreery v. Eli Lilly & Co., supra, 87 Cal.App.3d 77, 86-87. Although the majority herein impliedly rejects the appellate court's holding, in my opinion pertinent language of the *McCreery* court, based upon the Restatement of Torts and bearing on the majority's "market share" theory, is well worth repeating: "Application of the comments to the Restatement Second of Torts, section 402A, to this situation compels a rejection of the imposition of liability. As the comment states, '. . . It is also true in particular of many new or experimental drugs as to which, because of lack of time and opportunity for sufficient medical experience, there can be no assurance of safety, or perhaps even of purity of ingredients, but such experience as there is justifies the marketing and use of the drug notwithstanding a medically recognizable risk. The seller of such products, again, with the qualification that they are properly prepared and marketed, and proper warning is given, where the situation calls for it, is not to be held to strict liability for unfortunate consequences attending their use, merely because he has undertaken to supply the public with an apparently useful and desirable product, attended with a known but apparently reasonable risk.' (Rest.2d Torts, § 402A, com. k.) *This section implicitly recognizes the social policy behind the development of new pharmaceutical preparations.* As one commentator states, '[t]he social and economic benefits from mobilizing the industry's resources in the war against disease and in reducing the costs of medical care are potentially enormous. The development of new drugs in the last three decades has already

resulted in great social benefits. The potential gains from further advances remain large. To risk such gains is unwise. Our major objective should be to encourage a continued high level of industry investment in pharmaceutical R & D [research and development].' (Schwartzman, The Expected Return from Pharmaceutical Research: Sources of New Drugs and the Profitability of R & D Investment (1975) p. 54.)" (McCreery v. Eli Lilly & Co., supra, 87 Cal.App.3d 77, 86-87, italics added; see also Coggins, supra, 13 Suffolk L.Rev. at p. 1004.)

In the present case the majority imposes liability more than 20 years after ingestion of drugs which at the time they were used, after careful testing, had the full approval of the United States Food and Drug Administration. It seems to me that liability in the manner created by the majority must inevitably inhibit, if not the research or development, at least the dissemination of new pharmaceutical drugs. Such a result, as explained by the Restatement, is wholly inconsistent with traditional tort theory.

I also suggest that imposition of so sweeping a liability may well prove to be extremely shortsighted from the standpoint of broad social policy. Who is to say whether, and at what time and in what form, the drug industry upon which the majority now fastens this blanket liability, may develop a miracle drug critical to the diagnosis, treatment, or, indeed, cure of the very disease in question? It is counterproductive to inflict civil damages upon *all* manufacturers for the side effects and medical complications which surface in the children of the users a generation after ingestion of the drugs, particularly when, at the time of their use, the drugs met every fair test and medical standard then available and applicable. Such a result requires of the pharmaceutical industry a foresight, prescience and anticipation far beyond the most exacting standards of the relevant scientific dis-

ciplines. In effect, the majority requires the pharmaceutical research laboratory to install a piece of new equipment—the psychic's crystal ball.

I am not unmindful of the serious medical consequences of plaintiffs' injuries, and the equally serious implications to the class which she purports to represent. In balancing the various policy considerations, however, I also observe that the incidence of vaginal cancer among "DES daughters" has been variously estimated at one-tenth of 1 percent to four-tenths of 1 percent. (13 Suffolk L.Rev., supra, p. 999, fn. 92.) These facts raise some penetrating questions. Ninety-nine plus percent of "DES daughters" have never developed cancer. Must a drug manufacturer to escape this blanket liability wait for a generation of testing before it may disseminate drugs? If a drug has beneficial purposes for the majority of users but harmful side-effects are later revealed for a small fraction of consumers, will the manufacturer be absolutely liable? If adverse medical consequences, wholly unknown to the most careful and meticulous of present scientists, surface in *two* or *three* generations, will sense and reality combine to warn that a "market share" theory goes too far. Legally, it expects too much.

I believe that the scales of justice tip against imposition of this new liability because of the foregoing elements of unfairness to some defendants who may have had nothing whatever to do with causing any injury, the unwarranted preference created for this particular class of plaintiffs, the violence done to traditional tort principles by the drastic expansion of liability proposed, the injury threatened to the public interest in continued unrestricted basic medical research as stressed by the Restatement, and the other reasons heretofore expressed.

The majority's decision effectively makes the entire drug industry (or at least its California members) an insurer of

all injuries attributable to defective drugs of uncertain or unprovable origin, including those injuries manifesting themselves a generation later, and regardless of whether particular defendants had any part whatever in causing the claimed injury. Respectfully, I think this is unreasonable overreaction for the purpose of achieving what is perceived to be a socially satisfying result.

Finally, I am disturbed by the broad and ominous ramifications of the majority's holding. The law review comment, which is the wellspring of the majority's theory, conceding the widespread consequences of industry-wide liability, openly acknowledges that "The DES cases are only the tip of an iceberg." (Comment, *DES and a Proposed Theory of Enterprise Liability* (1978) 46 Fordham L.Rev. 963, 1007.) Although the pharmaceutical drug industry may be the first target of this new sanction, the majority's reasoning has equally threatening applications to many other areas of business and commercial activities.

Given the grave and sweeping economic, social, and medical effects of "market share" liability, the policy decision to introduce and define it should rest not with us, but with the Legislature which is currently considering not only major statutory reform of California product liability law in general, but the DES problem in particular. (See Sen. Bill No. 1392 (1979-1980 Reg. Sess.), which would establish and appropriate funds for the education, identification, and screening of persons exposed to DES, and would prohibit health care and hospital service plans from excluding or limiting coverage to persons exposed to DES.) An alternative proposal for administrative compensation, described as "a limited version of no-fault products liability" has been suggested by one commentator. (*Coggins*, supra, 13 Suffolk L.Rev. at pp. 1019-1021.) Compensation under such a plan would be awarded by an administrative tribunal

from funds collected "via a tax paid by all manufacturers." (P. 1020, fn. omitted.) In any event, the problem invites a legislative rather than an attempted judicial solution.

I would affirm the judgments of dismissal.

Richardson, *J.*

We Concur:

Clark, *J.*
Manuel, *J.*

APPENDIX B.

Opinion of the California Court of Appeal.

In the Court of Appeal of the State of California, Second Appellate District, Division Three.

Judith Sindell, Plaintiff and Appellant, v. Abbott Laboratories et al., Defendants and Respondents. Maureen Rogers, Plaintiff and Appellant, v. Rexall Drug Company, et al., Defendants and Respondents. 2d Civil No. 51845, (Los Angeles County, Super. Ct. No. C 169 127). 2d Civil No. 51875, (Ventura County, Super. Ct. No. 61220).

Filed: September 21, 1978 and modified on October 19, 1978.

APPEAL from judgments (orders of dismissal) of the Superior Court of Los Angeles County (No. 51845). Jerry Pacht and Robert I. Weil, Judges. Reversed.

APPEAL from judgments (orders of dismissal) of the Superior Court of Ventura County (No. 51875). Steven J. Stone, Judge. Reversed.

Donnenfeld & Brent and Jason G. Brent for Appellant Judith Sindell.

Heily, Blase, Ellison & Wellcome and Jay H. Sorensen for Appellant Maureen Rogers.

Morgan, Wenzel & McNicholas, Darryl L. Dmytriw, Lord, Bissel & Brook and Hugh L. Moore for Respondent Abbott Laboratories.

Crosby, Heafey, Roach & May, Richard J. Heafey, Peter W. Davis and John E. Carne for Respondent Eli Lilly and Company.

Adams, Duque & Hazeltine, Richard C. Field and David L. Bacon for Respondent Rexall Drug Company.

Haight, Dickson, Brown, Bonesteel & Rigg, Robert L. Dickson, Roy G. Weatherup and Hall R. Marston for

Respondents E. R. Squibb & Sons, Inc. and Upjohn Company.

INTRODUCTORY STATEMENT

These appeals are from dismissals and judgments entered after the sustaining of defendants' demurrers to actions brought by Judith Sindell (hereinafter Sindell) and Maureen Rogers (hereinafter Rogers) for personal injuries allegedly resulting from prenatal exposure to diethylstilbestrol (DES). Although arising out of actions in the Los Angeles County and Ventura County Superior Courts, the appeals are consolidated because of common issues of fact and law.

In both actions, defendant drug manufacturers demurred on the ground that the complaints failed to state a cause of action in that there was no identification of the particular defendant which manufactured the DES that allegedly caused harm to plaintiffs; it appears that it was on this premise only that the demurrers were sustained without leave to amend. For the reasons discussed below, we reverse the judgments of dismissal.

STATEMENT OF THE CASE

Both Sindell and Rogers sue on their own behalf and as representatives of all women residing in California who are similarly situated, although Sindell limits her representative status to the portion of her complaint seeking certain equitable relief. The complaints, which are substantially identical, allege that the prerequisites for maintaining plaintiff and defendant class actions are satisfied.[1] Both actions are for money damages and equitable relief and seek to hold defendants individually and jointly liable for unlawfully manufacturing, marketing, and promoting DES. The com-

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[1]We do not address the complicated class action issues raised by the complaints as such a discussion is not necessary to our opinion.

plaints allege that DES, which was ingested by plaintiffs' mothers as a miscarriage preventative, has caused plaintiffs to develop precancerous and cancerous tumors and lesions.

Sindell's Complaint

In her complaint, Sindell alleges that she has developed precancerous lesions or tumors of the vagina, cervix, and breast and a cancerous bladder tumor which has been surgically removed. Her complaint sets forth ten causes of action, each of which is alleged to arise from the individual and concerted action of the defendants in the manufacture and marketing of DES. The causes of action charge express and implied agreements among defendants and collaboration in, reliance upon, and adoption of each other's testing and marketing methods with respect to the subject drug.

In her first seven causes of action, Sindell seeks to hold defendants liable on the following theories: negligence, strict products liability, lack of informed consent, breach of express warranties, breach of implied warranties, fraud, and violations of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. § 301 et seq.).

In what is denominated an eighth cause of action, Sindell alleges that all activities engaged in by the defendants were the result of joint and concerted enterprise, that there existed a common and mutually agreed upon formula for the drug, that the various brands of DES were marketed by the defendants as being fungible and interchangeable with all other brands of the drug, and that there was a pharmaceutical practice of filling prescriptions of DES with a brand other than that prescribed.

The ninth cause of action sounds in conspiracy, and the tenth relates to the class aspects of the action. Nowhere in Sindell's complaint does she identify the specific manufacturer of the DES ingested by her mother.

The general demurrers of defendants Rexall Drug Company, E. R. Squibb & Sons, Inc., and Upjohn Company were sustained without leave to amend, all on the ground that Sindell had failed in her complaint to identify the specific manufacturer of the DES which allegedly injured her. Defendant Abbott Laboratories' general demurrer was sustained with 30 days leave to amend, the court noting the absence of an "allegation that any product manufactured by demurring defendant caused any harm to plaintiff." Sindell, however, failed to thereafter amend her complaint. Defendant Eli Lilly and Company's motion for summary judgment was treated as a demurrer and sustained without leave to amend on the same ground as stated previously — that Sindell could not name an individual defendant.

Sindell appeals from the orders of dismissal which were subsequently entered in favor of the above named defendants.[2]

Rogers' Complaint

Rogers alleges that she has developed cervical cancer and precancerous lesions or tumors of the vagina and cervix. She also alleges that defendant manufacturers of DES have acted both individually and jointly, their "joint and concerted" actions including, but not limited to, joint testing, marketing, and promotional activity, as well as mutual exploitation of the common formula for the drug, which in turn led to the pharmaceutical practice of treating the various brands of DES as being interchangeable with one another.

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[2]The record on appeal reflects that Sindell also appealed from an order dismissing defendant Warner Lambert/Parke Davis Company following the sustaining of its demurrer without leave to amend. The parties, however, have since stipulated to a dismissal of this defendant from the action.

Rogers' first amended complaint contains the following six causes of action: negligence, strict products liability, breach of express warranties, breach of implied warranties, false representations, and violations of the Federal Food, Drug, and Cosmetic Act.

By amendment to her first amended complaint, Rogers has identified defendant Eli Lilly and Company as the manufacturer of the DES ingested by her mother.

The general demurrer of defendant Rexall Drug Company was sustained without leave to amend "because Rexall is nowhere in the pleadings shown to have provided or purveyed the particular drug which affected plaintiff [Rogers]. . . ." The joint demurrer of defendants E. R. Squibb & Sons, Inc. and Upjohn Company was sustained without leave to amend on the stated ground that Rogers' first amended complaint failed to allege facts sufficient to sustain a cause of action.[3] Rogers appeals from the orders of dismissal subsequently entered in favor of these defendants. Since Rogers identified Eli Lilly and Company as the producer of the DES taken by her mother, it remains a defendant in her case.[4]

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[3]Although defendants E. R. Squibb & Sons, Inc. and Upjohn Company jointly demurred on a number of grounds, including bar of the statute of limitations, their supporting papers stated that "the bottom line of this Demurrer, indeed of this case, is whether a plaintiff can maintain a cause of action against a product manufacturer and distributor without alleging that it actually used that manufacturer's product!" Thus, while the trial court was not specific as to its reasons for sustaining these defendants' demurrer, we assume for the purposes of this discussion that its ruling was based on the same ground as the other defendants prevailed on, i.e., failure of the plaintiff to limit herself to an individual defendant. For the reasons discussed later in this opinion, we deem it inappropriate at this point in the litigations to discuss the other possible bases for the sustaining of any of these demurrers, except insofar as they raise the limitations question.

[4]Rogers also appealed from a summary judgment which was granted to Miles Laboratories, Incorporated on the basis of an affidavit establishing that it never produced DES as a miscarriage preventative. Subsequent to filing her notice of appeal, however, Rogers stipulated in the superior court to a dismissal of Miles from the action.

DISCUSSION

Preliminary to our discussion, we note that since these appeals are before us on general demurrers, we must assume all allegations of fact set forth in the complaints to be true. (*Landeros v. Flood* (1976) 17 Cal.3d 399, 407; *Bayer v. Suttle* (1972) 23 Cal.App.3d 361, 363.) The question of plaintiffs' ability to prove these allegations, or the possible difficulty in making such proof, does not concern the reviewing court. (*Landeros v. Flood, supra; Alcorn v. Anbro Engineering, Inc.* (1970) 2 Cal.3d 493, 496.) Furthermore, "A general demurrer admits not only the facts expressly alleged but also facts essential to a cause of action which the facts alleged supply by implication or inference." (*Harvey v. City of Holtville* (1969) 271 Cal.App.2d 816, 819.)

Being thus directed by the case law noted, we observe that both the Sindell and Rogers complaints contain factual allegations which, if proven, would establish that defendants are both individually and jointly responsible for plaintiffs' injuries in that they acted in both their individual capacities and in concert in the doing of the wrongful acts which caused those injuries. This is the state of the record before us as the reviewing court. As such, the doctrines of concerted action and alternative liability enable these complaints to stand at this stage of the proceedings.

Defendants' parade of horribles and fears of "collectivized liability" or "enterprise liability" are groundless in the light of our narrow holding embracing these two California doctrines.[5]

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[5]As we find adequate support for our holding in existing California law, we reject plaintiffs' invitation that we adopt for this state the so-called "enterprise liability" theory. However, for an excellent discussion of the possible application of that theory to DES cases, see Note. *Des and a Proposed Theory of Enterprise Liability* (1978) 46 Fordham L.Rev. 963.

The Concerted Action Theory

Section 876 of the Restatement of Torts, which is entitled "Persons Acting in Concert," provides in pertinent part as follows:

> "For harm resulting to a third person from the tortious conduct of another, a person is liable if he
>
> "....
>
> "(b) knows that the other's conduct constitutes a breach of duty and gives substantial assistance or encouragement to the other so to conduct himself, or
>
> "(c) gives substantial assistance to the other in accomplishing a tortious result and his own conduct, separately considered, constitutes a breach of duty to the third person."

It has been noted that the rule as stated in the above section of the Restatement is clearly the law of California. (*Pasadena Unified Sch. Dist. v. Pasadena Federation of Teachers* (1977) 72 Cal.App.3d 100, 113, citing *Loeb v. Kimmerle* (1932) 215 Cal. 143, 150.)

Witkin states that the Restatement's definition of "joint tortfeasors" applies not only to those who act in concert to accomplish some common goal or plan and thereby cause injury, but also to "those who order, direct or permit others to do the act, *and who give assistance or encouragement.*" (Italics added.) (4 Witkin, Summary of Cal. Law (8th ed. 1974) Torts, § 30, pp. 2329-2330.)

Harper and James cite section 876 of the Restatement of Torts as universal authority for the proposition that wrongdoers who act in concert are jointly and severally liable. (1 Harper & James, Law of Torts (1956) § 10.1, p. 698.)

In commenting on the doctrine of concerted action, Prosser states that "All those who, in pursuance of a common plan or design to commit a tortious act, actively take part

in it, or further it by cooperation or request, or who lend aid or encouragement to the wrongdoer, or ratify and adopt his acts done for their benefit, are equally liable with him. [¶] Express agreement is not necessary, and all that is required is that there be a tacit understanding. . . ." (Fns. omitted.) (Prosser, Law of Torts (4th ed. 1971) § 46, p. 292; see also Prosser, *Joint Torts and Several Liability* (1937) 25 Cal.L.Rev. 413, 429-430.) But Prosser further notes that in pleading a cause of action based on concerted action, "It is . . . essential that each particular defendant who is to be charged with responsibility shall be proceeding tortiously, which is to say with intent to commit a tort, or with negligence. One who innocently, and carefully, does an act which furthers the tortious purpose of another is not acting in concert with him." (Fn. omitted.) (Prosser, Law of Torts, *supra*, at p. 292; see also Rest., Torts, *supra*, § 875, com. a.)

This court recognizes more than a half-dozen California cases which have applied, in a variety of factual situations, the doctrine of concerted action. Most notable among these are: *Loeb v. Kimmerle*, *supra*, 215 Cal. 143, 150-151 (a personal injuries action); *The Weinberg Co. v. Bixby* (1921) 185 Cal. 87, 93, 106-107 (action for wrongful diversion of flood waters); *Orser v. George* (1967) 252 Cal.App.2d 660, 666-669 (wrongful death action); *Agovino v. Kunze* (1960) 181 Cal.App.2d 591 (action for personal injuries); and *Meyer v. Thomas* (1937) 18 Cal.App.2d 299, 306 (action for conversion of a promissory note).

Orser v. George, *supra*, 252 Cal. App.2d 660, summarizes California case law regarding the doctrine of concerted action and explains the rationale of the use of that theory to establish the element of causation.

Orser was a wrongful death action in which the trial court had granted a summary judgment in favor of two of three

potentially liable defendants.[6] The three defendants were hunters who were alleged to have engaged in the tortious conduct of firing their guns at mudhens in the direction of the decedent. Two of the three defendants were alleged to have been alternately firing the same gun, a pistol, the bullet from which was subsequently determined to have killed the decedent. The third defendant could not have fired the fatal bullet, but he was alleged to have been shooting with a rifle in the same line of fire as the other two defendants. (*Id.* at pp. 664-666) As there was a triable issue of fact as to which of the two defendants using the pistol had fired the fatal shot, the appellate court reversed the summary judgment which had been granted as to one of them. (*Id.* at p. 668.) In addition, the court reversed, on a theory of concert, a summary judgment which had been entered in favor of the third, rifle-shooting defendant. The reasoning of the appellate court (which emphasized that it was concerned only with possibilities and not actual proof) was that triable issues remained as to whether the third defendant knew that his companions' conduct constituted a breach of duty owed the decedent and, further, whether his own tortious conduct in firing the rifle in the direction of the decedent had provided the other defendants "substantial 'assistance or encouragement.' " (*Id.* at p. 668, paraphrasing Rest., Torts, *supra*, § 876, subds. (b) and (c).)

We note that, in so holding, the court in *Orser* indicated that Prosser's definition of concerted action (quoted above) is in line with both the Restatement's rule regarding joint action by tortfeasors and our Supreme Court's explication of that rule in a similar case, *Summers v. Tice* (1948) 33

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[6]there were actually several additional defendants named in *Orser*, but their involvement is not relevant to the issues before us.

Cal.2d 80, 85 (See discussion thereof, *infra*). (*Orser v. George, supra*, 252 Cal.App.2d 660, 667-668.)

The cases before us present a situation analogous to the one in *Orser*. Both the Sindell and Rogers complaints contain the identical allegation that the defendant drug manufacturers, "acting individually *and in concert*, promoted, approved, authorized, acquiesced in, and reaped profits from sales" of DES. (Italics ours.) In addition, similar language appears in both complaints to the effect that express and implied agreements existed between the defendants regarding the manufacture and marketing of DES and that the defendants collaborated in, relied upon, acquiesced in, ratified, adopted, and exploited each other's testing (or lack thereof), marketing techniques, and promotional campaigns. The culmination of the defendants' concerted action is seen in the allegation, again common to both complaints, that there existed a common and mutually agreed upon formula for DES which permitted defendants to promote the drug as a fungible commodity, resulting in the pharmaceutical practice which permitted the filling of prescriptions for DES with a brand other than that prescribed.

These allegations, together with others not here mentioned, satisfy the pleading requirements necessary to hold defendants jointly liable on a concerted action theory. The fact that every defendant named herein may not have manufactured the DES actually ingested by plaintiffs' mothers is not determinative since, as in *Orser*, the allegations indicate that each defendant gave "substantial 'assistance or encouragement' " to the tortious conduct of the others. (*Orser v. George, supra*, 252 Cal.App.2d 660, 668; see also Rest., Torts, *supra*, § 876, subds. (b) and (c).)

We reiterate that at this stage of the proceedings we are not concerned with the truth of plaintiffs' allegations or their ability to prove them. (*Alcorn v. Anbro Engineering, Inc.*,

supra, 2 Cal.3d 493, 496; cf. *Orser v. George*, *supra*, 252 Cal.App.2d at pp. 668-669.) Whether each defendant's conduct *actually* was a substantial factor in causing plaintiffs' injuries will be a question for the trier of fact. (Prosser, Law of Torts, *supra*, § 41, p. 240.)

Defendants cite numerous authorities[7] for the proposition that in a products liability action it must be shown that the defendant actually manufactured or sold the product which caused the plaintiff's injuries. This rule, however, is only one specific illustration of the general legal principle requiring a defendant to be the cause-in-fact of a plaintiff's harm. The doctrine of concerted action embodied in section 876 of the Restatement of Torts satisfies the requisite cause-in-fact element. As Prosser states, "The defendant's conduct is a cause of the event if it was a material element and a substantial factor in bringing it about." (Prosser, Law of Torts, *supra*, § 41, p. 240.) Thus, where concerted action is pled it is irrelevant whether the actual manufacturer of the product which caused the injury is identified. Indeed, in *Hall v. E. I. Du Pont De Nemours & Co., Inc.* (E.D.N.Y. 1972) 345 F.Supp. 353, 372, the court noted that "the issue of who 'caused' the injury is distinctly secondary to the fact that the group engaged in joint hazardous conduct."

By alleging concerted action by defendants in the production and marketing of DES, the pleadings, before us

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[7]See, e.g., *Sell v. Volkswagen of America, Inc.* (6th Cir. 1974) 505 F.2d 953, 955; *Wetzel v. Eaton Corporation* (D. Minn. 1973) 62 F.R.D. 22, 28; *Thompson-Hayward Chem. Co. v. Childress* (Ala. 1964) 169 So.2d 305, 309; Annotation, Products Liability: Necessity and Sufficiency of Identification of Defendant as Manufacturer or Seller of Product Alleged to Have Caused Injury (1973) 51 A.L.R.3d 1344, 1349; 63 American Jurisprudence Second, Products Liability, section 5, page 12; 1 Hursh & Bailey, American Law of Products Liability (2d ed. 1974) section 1:41, pages 125-126.

conform to the requirement stated in 1 Hursh & Bailey, American Law of Products Liability, *supra*, section 1:41, page 125, "that the product in question was one for whose condition the defendant was *in some way responsible*." (Italics added.)

Further, since our holding here is grounded upon plaintiffs' allegations of cooperation and joint control among the defendant manufacturers of DES, there is no basis to defendants' expressed fears that henceforth all manufacturers of similar products will be held liable when one has been found to have produced a defective product. To the contrary, it is the law of this state that a defendant will not be held liable if it did not produce a defective product. Here, however, defendants are alleged to have acted jointly and in concert in the manufacturing, testing, marketing, and promoting of DES; if plaintiffs' allegations can be proven, it will be established that each defendant did, in fact, produce a defective product.

The factors cited above distinguish our cases from *Wetzel v. Eaton Corporation*, *supra*, 62 F.R.D. 22, heavily relied upon by defendants. In *Wetzel*, the court granted a summary judgment to one of two manufacturers alleged to have supplied a defective tractor component for lack of evidentiary support showing that that manufacturer had supplied the part which allegedly caused the plaintiff's accident. (*Id.* at pp. 28-29.) Since there was nothing to indicate that the manufacturer seeking the summary judgment had behaved tortiously toward the plaintiff, the court refused to apply California law pertaining to the concerted action or alternative liability doctrines. (*Id.* at pp. 29-30.) Here, in contrast, it is alleged that *each* named defendant has engaged in tortious conduct toward each and every plaintiff. (See fn. 10, *infra*.)

Defendants assert that they did not owe any duty to plaintiffs because of the "unavoidably unsafe products" exception to the general rules pertaining to strict liability in tort. That exception is applicable to products which, "in the present state of human knowledge, are quite incapable of being made safe for their intended and ordinary use." (Rest., 2d Torts, § 402A, com. k, p. 353.) "Such a product, properly prepared, and *accompanied by proper directions and warning*, is not defective . . . ." (*Id.* at pp. 353-354, italics added.) But whether the product in question here was "incapable of being made safe" is a matter of proof which cannot be resolved by inspection of the pleadings before us. We also note that both complaints contain allegations that DES was marketed without warning of the hazards apparently inherent in its use. Moreover, the rationale given for the "unavoidably unsafe products" exception is that the benefits attaching to certain potentially harmful products outweight the risks they pose. (*Id.* at p. 353.) In the cases at bench, it is alleged not only that defendants engaged in inadequate testing of DES, but also that whatever testing was done showed the drug to be totally ineffective as a miscarriage preventative.

Furthermore, we find unpersuasive defendants' assertions that drug manufacturers must receive more lenient treatment than other manufacturers in the area of products liability. Indeed, Justice Jackson specifically included the drug industry as subject to the duty to make adequate tests and give proper warnings in this passage from his oft-cited dissent in *Dalehite v. United States* (1953) 346 U.S. 15, 51-52: "[T]o an ever-increasing extent our population is dependent upon mass producers for its food and drink, its cures and complexions. . . . Such a dependent society . . . must require from manufacturers or producers increased integrity and caution as the only protection of its safety and well-

being. Purchasers cannot try out drugs to determine whether they kill or cure. . . . Where experiment or research is necessary to determine the presence or the degree of danger, the product must not be tried out on the public, nor must the public be expected to possess the facilities or the technical knowledge to learn for itself of inherent but latent dangers. The claim that a hazard was not foreseen is not available to one who did not use foresight appropriate to his enterprise."

The Alternative Liability Theory

In the landmark case of *Summers v. Tice, supra,* 33 Cal.2d 80, two hunters negligently fired their guns in the direction of the plaintiff at the same time. It was impossible to ascertain which of the defendants fired the shot which injured the plaintiff. (*Id.* at p. 84.) Under these circumstances, the court held that the defendants were jointly and severally liable unless they could absolve themselves, stating:

> "When we consider the relative position of the parties and the results that would flow if plaintiff was required to pin the injury on one of the defendants only, a requirement that the burden of proof on that subject be shifted to defendants becomes manifest. They are both wrongdoers—both negligent toward plaintiff. They brought about a situation where the negligence of one of them injured the plaintiff, hence it should rest with them each to absolve himself if he can. The injured party has been placed by defendants in the unfair position of pointing to which defendant caused the harm. If one can escape the other may also and plaintiff is remediless." (*Id.* at p. 86.)

Justice Traynor characterized the *Summers* burden of proof rule as "based on the policy that it is preferable to hold liable a negligent defendant who did not in fact cause

the injury than to deny an innocent plaintiff any remedy when it cannot be determined which of the defendants is responsible for the harm but it appears that one of them was.'' (*Vasquez v. Alameda* (1958) 49 Cal.2d 674, 682-683, fn. 2 (Traynor, J. dissentingcp; see also *Haft v. Lone Palm Hotel* (1970) 3 Cal.3d 756, 774, fn. 19.)

The shifting burden of proof rule enunciated in *Summers*, often referred to as the doctrine of alternative liability (see Prosser, Law of Torts, *supra*, § 41, p. 243), is logically applicable to at least the allegations set forth in Sindell's complaint.[8] Those allegations, if proven, would establish that each of the defendants before us has engaged in tortious behavior which created undue risks for the offspring of DES users.[9] Further, although Sindell did not specifically allege

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[8]Should Rogers succeed in proving her allegation that Eli Lilly and Company manufactured the particular brand of DES ingested by her mother, she will arguably be unable to rely on the alternative liability theory since, as is apparent, it requires that a plaintiff be ignorant of the source of his or her injury. Proof that Eli Lilly and Company produced the DES taken by Rogers' mother would not, however, prevent her from having recourse to the concerted action theory discussed above. The distinction is that the alternative liability concept contemplates a situation where two or more defendants have behaved tortiously but fewer than all have actually caused the injury, whereas the theory of concerted action is that all joined defendants have in some manner brought harm to the plaintiff. (See Note, *supra*, 46 Fordham L.Rev. 963, 985.)

[9]The assertion that each defendant here has engaged in the tortious conduct of producing DES distinguishes our cases from a recent decision of Division Two of this court, *Garcia v. Joseph Vince Co.* (Sept. 15, 1978, 2 Civ. 51614) Cal.App.3d . In that case, the plaintiff was injured in a fencing match by a sabre which was alleged to have been defectively manufactured by one of two fencing equipment suppliers. Because the allegedly defective sabre was either lost or mixed in with other sabres subsequent to the accident, the plaintiff could not establish the identity of the particular supplier who manufactured it. In affirming a judgment of nonsuit, the appellate court, relying on *Wetzel v. Eaton Corporation*, *supra*, 62 F.R.D. 22 (see discussion, *ante*), held that the alternative liability theory of *Summers v. Tice*, *supra*, 33 Cal.2d 80, was inapplicable since the plaintiff could not show, other than by conjecture, which of the two suppliers had violated

(footnote continued on following page)

in her complaint that she is incapable of identifying the particular manufacturer of the DES which caused her harm, her counsel apparently did represent to the court at the hearings on the demurrers that she lacks the knowledge requisite to such an identification.[10] That Sindell is unable to name an individual defendant appears reasonably likely in view of the lapse of time occurring between the use of DES and the manifestation of its allegedly carcinogenic effects, as well as the tracing problems engendered by the treatment of the drug as a fungible product. On remand, however, Sindell should amend her pleadings to indicate with more particularity what her abilities are with respect to the identification of the manufacturer of the DES ingested by her mother. (See *Summers v. Tice*, supra, 33 Cal.2d 80, 88.)

Assuming that Sindell can amend her complaint to allege lack of knowledge as to which producer of DES caused her injuries, then the doctrine of alternative liability mandates that each defendant here bear the

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a duty to him by manufacturing the defective blade. (*Garcia v. Joseph Vince Co., supra*, at pp. - .)* Before so holding, the court had framed the issue as follows: "[W]here a plaintiff's evidence established that one, but not both, of two defendants produced a defective product, but the evidence does not disclose which one, is that sufficient evidence to permit a jury to determine liability of either defendant?" (*Garcia, supra*, at p. ,** italics added.) Here, in contrast, it is alleged that *each* of the defendants has produced a defective product for the unwary public. Thus, like the hunters in *Summers* who negligently fired their guns, each of the defendant manufacturers of DES is alleged to have engaged in identical, risk-creating conduct.

*Typed opinion pages 6-7.
**Typed opinion page 3.

[10]The court's minute orders sustaining the demurrers of defendants Rexall Drug Company and Eli Lilly and Company on January 24, 1977, and defendants E. R. Squibb & Sons, Inc. and Upjohn Company on March 14, 1977, reflect that Sindell had averred in the proceedings that she cannot name an individual defendant. In fact, Sindell's admission in this regard is referred to in the joint brief filed with this court by Squibb and Upjohn.

> burden of proving its nonresponsibility. The mere fact that there were only two defendants in *Summers* does not, we believe, preclude the principle of law enunciated therein from being applied to the greater number of defendants named here.

Defendants argue that they may be in no better position than the daughters of DES users to identify the manufacturer of the particular DES ingested by their mothers, but the insurmountable difficulties faced by the hunters in *Summers* in showing which one of them actually shot the plaintiff did not deter our Supreme Court in

> . . . that case from shifting the burden of proof on the issue of causation; in practical effect, the court's holding necessarily resulted in joint liability. (4 Witkin, Summary of Cal. Law, *supra*, Torts, § 625, p. 2907.)

We additionally note in this regard that the court in *Summers* found that the case of *Ybarra v. Spangard* (1944) 25 Cal.2d 486 presented "a quite analogous situation . . . ." (*Summers v. Tice*, *supra*, 33 Cal.2d 80, 86.) in *Ybarra*, the plaintiff awoke from an operation to discover that he had somehow been injured during the course of it. (25 Cal.2d at p. 488.) Since the plaintiff could not identify who or what instrumentalities caused his injuries, the Supreme Court found it appropriate to apply the doctrine of res ipsa loquitur to all hospital personnel involved in the surgery. (25 Cal.2d at pp. 490-493.) By thus allowing an inference of negligence to be raised as to all defendants, the court in *Ybarra* may actually have shifted the burden of proof to an entirely innocent, non-negligent party. Here, shifting the burden of proof would be less onerous since it is alleged that each defendant did, in fact, engage in the tortious conduct of producing and marketing DES.

The policy considerations expressed in *Summers* and *Ybarra* are apparent in another case from our Supreme

Court, *Haft v. Lone Palm Hotels, supra*, 3 Cal.3d 756. In that case, plaintiff-survivors sued for the wrongful death of two members of the Haft family who drowned in defendants' unattended motel pool. The defendants' unlawful failure to provide a lifeguard resulted in the plaintiffs' inability to establish the proximate cause of the drownings. (*Id.* at p. 771.) Finding that "[t]he relative culpability of the parties and the burden facing plaintiffs" to be "comparable to the circumstances disclosed in *Summers* and *Ybarra*," the court held that "considerations of 'policy and justice,' . . . shift the burden to 'defendants to absolve [themselves] if [they] can.' [Citation.]" (*Haft v. Lone Palm Hotel, supra*, 3 Cal.3d at p. 773, brackets in original.) In so holding, the *Haft* court drew additional support from cases wherein "several negligent automobile drivers, not acting in concert, successively collide with a plaintiff's person or his property, and the resulting damage is not capable of apportionment"; the court noted that under such circumstances, "the burden 'shifts to *any defendant who might have contributed to the injuries* to prove his own *innocence* or limited liability by showing that such injuries or some particular injury did not result from his negligent conduct.' " (*Haft supra*, at p. 774, italics in original.)

In the recent case of *Dimond v. Caterpillar Tractor Co.* (1976) 65 Cal.App.3d 173, 183, the appellate court referred to *Summers, Ybarra*, and *Haft* in noting that "the law has stood ready to come to the aid of a hapless plaintiff who, through no fault of his own, is unable to provide direct evidence that defendant's breach of duty was a proximate cause of his injuries." The court affirmed that the solution adopted in those cases is a shift in the burden of proof on the issue of causation to the defendant. (*Ibid.*)

Furthermore, the California courts have long recognized the policy objectives of insuring that the costs of injuries

resulting from defective products be borne by the manufacturers that put such products on the market rather than by injured persons who are powerless to protect themselves. (*Ray v. Alad Corp.* (1977) 19 Cal.3d 22, 30; *Greenman v. Yuba Power Products, Inc.* (1963) 59 Cal.2d 57, 63.) The risk of injury can generally be insured by the manufacturer and distributed among the public as a cost of doing business. (*Seeley v. White Motor Co.* (1965) 63 Cal.2d 9, 18-19.) One commentator has noted that the twin goals of accident reduction and risk distribution, first urged by Justice Traynor in his classic concurring opinion in *Escola v. Coca Cola Bottling Co.* (1944) 24 Cal.2d 453, 462, "have replaced a perceived need to insulate business enterprise from tort liability." (Ursin, *Strict Liability for Defective Business Premises — One Step Beyond* Rowland *and* Greenman (1975) 22 UCLA L.Rev. 820, 824, 846.)

We additionally note that the alternative liability doctrine has been incorporated in Restatement Second of Torts section 433B, subsection (3), wherein it is stated: "Where the conduct of two or more actors is tortious, and it is proved that harm has been caused to the plaintiff by only one of them, but there is uncertainty as to which one has caused it, the burden is upon each such actor to prove that he has not caused the harm." The rationale for this rule is stated to be "the injustice of permitting proved wrongdoers, who among them have inflicted an injury upon the entirely innocent plaintiff, to escape liability merely because the nature of their conduct and resulting harm has made it difficult or impossible to prove which of them has caused the harm." (Rest., 2d Torts, *supra*, § 433B, com. f, at p. 446.)

Absent a contrary statute or decision in this state, the Restatements are accorded the status of persuasive authority. (See *Canfield v. Security-First Nat. Bank* (1939) 13 Cal.2d

1, 30-31; *Standard Oil Co. v. Oil, Chemical etc. Internat. Union* (1972) 23 Cal.App.3d 585, 589.)

Defendants maintain that subsection (3) of section 433B should not be applied here since not all manufacturers of DES are before the court. One of the comments to that subsection does indicate that thus far all actors have been joined as defendants in cases in which the subsection has been found applicable, and further recognizes that cases may arise where adjustments to the rule might be necessary because of the complications involved in joining all defendants, such as those resulting from the effect of time lapses. (Rest., 2d Torts, *supra*, § 433B, com. h, at p. 446.) We, however, like the Restatement, do not purport to deal with all the possible problems which may arise from the application of the alternative liability doctrine to the situation before us; the difficulties to be faced at trial are no doubt great. We hold only that at this pleading stage of the litigation we see no logical impediment to the application of that doctrine. Moreover, defendants have ignored the possibility of bringing in other DES manufacturers as cross-defendants pursuant to Code of Civil Procedure section 428.10, subdivision (b). (See *American Motorcycle Assn. v. Superior Court* (1978) 20 Cal.3d 578, 604-607.)

Other Possible Grounds for
the Sustaining of These Demurrers

Several of the defendants assert that even if their demurrers were improperly sustained on the ground of plaintiffs' failure to specify an individual defendant, the rulings of the courts below should nevertheless be upheld by reference to the other grounds stated in the demurrers.

While we are cognizant that a reviewing court is not limited to the reasons specified by the trial court when it is asked to determine whether a general demurrer was prop-

erly sustained (*Altman v. Morris Plan Co.* (1976) 58 Cal.App.3d 951, 962; *Sackett v. Wyatt* (1973) 32 Cal.App.3d 592, 598, fn. 2), we conclude that it would be inappropriate at this time to attempt to deal with all of the alleged insufficiencies in the pleadings before us. A review of the documents related to the demurrers reveals that the question regarding the necessity of specifying which defendant manufactured the DES ingested by each plaintiff's mother has been so pervasive in the proceedings up to this point that it is unlikely the other possible bases for sustaining the demurrers have received the treatment in the trial courts they deserve. The fact that, with one exception, each of the demurrers was sustained without leave to amend reflects the lack of opportunity the parties have had to refine the pleadings at the trial court level. Our holding herein does not, of course, prohibit the respective superior courts from now giving consideration to the other grounds stated in the demurrers should defendants choose to reassert them upon remand.[11]

Expedience, however, mandates that we address at least the limitations question raised by the instant demurrers since

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[11]We note that except for the proximate cause question raised by plaintiffs' failure to identify the manufacturer(s) of the drug taken by their mothers and the possible bar of the statute of limitations, both of which issues are discussed herein, the objections raised by defendants' general demurrers went to individual causes of action, rather than to the complaints as a whole. Defendants also supplemented their general demurrers by interposing numerous special demurrers for uncertainty.

In *Stowe v. Fritzie Hotels, Inc.* (1955) 44 Cal.2d 416, 425, our Supreme Court stated:

> "When a demurrer based upon both general and special grounds is sustained and the order mentions only the general ground, impliedly the ruling was made either without consideration of the special grounds or upon a determination that they are not well taken. If the general demurrer was sustained erroneously, the trial judge should be directed to consider the special grounds." (See also *Briscoe v. Reader's Digest Assoc., Inc.* (1971) 4 Cal.3d 529, 544.)

a determination adverse to plaintiffs on that issue would completely dispose of these cases. We note preliminarily in this regard that the demurrers would only be sustainable on the ground of the bar of the statute of limitations if the faces of the complaints *affirmatively* disclose facts showing the availability of that defense. (*Valvo v. University of Southern California* (1977) 67 Cal.App.3d 887, 895; 3 Witkin, Cal. Procedure (2d ed. 1971) Pleading, § 797, p. 2410.)

Defendants' limitations argument is premised on the assumption that the applicable period is governed by Civil Code section 29, which provides:

> "A child conceived, but not yet born, is to be deemed an existing person, so far as may be necessary for its interests in the event of its subsequent birth; but any action by or on behalf of a minor for personal injuries sustained prior to or in the course of his birth must be brought within six years from the date of the minor, and the time such minor is under any disability mentioned in Section 352 of the Code of Civil Procedure shall not be excluded in computing the time limited for the commencement of the action."

That section, however, appears not to be directed toward situations like those before us, namely, where the tortious conduct occurred prior to birth but the injury did not manifest itself until long after infancy.[12] (Cf. *G. D. Searle & Co. v. Superior Court* (1975) 49 Cal.App.3d 22, 25.)

In view of the unusual circumstances present here, we conclude that these actions are governed by the one-year limitations period prescribed in Code of Civil Procedure section 340, subdivision 3, which, in cases involving injury

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[12]It is alleged in both complaints that the cancer caused by DES exposure is believed to strike after a minimum latent period of ten to twelve years.

from drug ingestion, does not begin to run until the time the plaintiff discovers or in the exercise of reasonable care should have discovered that he or she has been damaged by the defendant's product. (*Warrington v. Charles Pfizer & Co.* (1969) 274 Cal.App.2d 564, 566-567.)

Turning to the pleadings before us, we note that Rogers appears to have filed her original action on July 15, 1976. In her first amended complaint, filed December 17, 1976, it is alleged that in August of 1975 Rogers' mother received a letter from the Chicago Lying-In Hospital, dated July 15, 1975,[13] indicating that the hospital was conducting tests to determine a possible link between DES and abnormalities in the offspring of women who were prescribed the drug during their pregnancies. Thereafter, in October 1975, Rogers was examined and found to have cervical cancer. She further alleges that "Prior to this time plaintiff was completely unaware of this condition, having experienced no noticable [*sic*] symptoms and having been advised of no abnormal growths in any of her previous annual gynocological [*sic*] examinations." Rogers' age is not stated in her pleadings. Under these alleged facts, it is clear that Rogers' original complaint was filed within one year of the earliest reasonable opportunity she had to discover that she may have been injured by exposure to DES.

Sindell's complaint was filed on August 2, 1976. It alleges that Sindell was alerted "in the past year by newspaper reports" of the possible connection between DES and the development of cancerous and precancerous growths in women exposed to the drug before birth. It is further alleged that a subsequent gynecological examination revealed that

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[13]Rogers' first amended complaint actually states that the hospital's letter was dated July 15, 1976, an obvious typographical error.

Sindell had developed vaginal and cervical adenosis and that she thereafter suffered surgery in May 1976 for the removal of a cancerous bladder tumor. Sindell's age is not alleged. While her complaint is less than a model pleading in this regard, we conclude that nothing on the face of it affirmatively discloses that Sindell is barred by the one-year limitations period from pursuing her action.

DISPOSITION

The judgments (orders of dismissal) entered in favor of defendants Abbott Laboratories, Eli Lilly and Company, Rexall Drug Company, E. R. Squibb & Sons, Inc., and Upjohn Company in No. 51845 and in favor of defendants Rexall Drug Company, E. R. Squibb & Sons, Inc., and Upjohn Company in No. 51875 are reversed and the causes remanded for further proceedings not inconsistent with the views herein expressed. In No. 51845, the superior court is directed to permit plaintiff Sindell to amend her complaint so as to indicate whether or not she is capable of identifying the particular manufacturer of the DES ingested by her mother.

CERTIFIED FOR PUBLICATION

Klein, *P.J.*

We concur:

Allport, *J.*

Potter, *J.*

APPENDIX C.

Judgment.

In the Supreme Court of the State of California.

Judith Sindell, Plaintiff and Appellant, vs. Abbott Laboratories et al., Defendants and Respondents. L.A. No. 31063. Appeal County Los Angeles, Superior Court No. 169127.

Entered March 20, 1980.

The above-entitled cause having been heretofore fully argued, and submitted,

It Is Ordered, Adjudged, and Decreed by the Court that the Judgment of the Superior Court of the County of Los Angeles in the above-entitled cause, is hereby Reversed. Appellant is to recover costs on appeal.

APPENDIX D.

Judgment

In the Supreme Court of the State of California.

Maureen Rogers, Plaintiff and Appellant, vs. Rexall Drug Company et al., Defendants and Respondents. L.A. No. 31063. Appeal County Ventura, Superior Court No. 61220.

Entered March 20, 1980.

The above-entitled cause having been heretofore fully argued, and submitted,

It Is Ordered, Adjudged, and Decreed by the Court that the Judgment of the Superior Court of the County of Ventura in the above-entitled cause, is hereby Reversed. Appellant is to recover costs on appeal.

APPENDIX E.

PETITION FOR REHEARING.

In the Supreme Court of the State of California.

IN THE SUPREME COURT OF THE STATE OF CALIFORNIA.

Judith Sindell, *Plaintiff and Appellant*, *vs.* Abbott Laboratories, Eli Lilly and Company, Rexall Drug Company, E.R. Squibb and Sons, Inc., and the Upjohn Company, *Defendants and Respondents*. Maureen Rogers, *Plaintiff and Appellant, vs.* Rexall Drug Company, E.R. Squibb & Sons, Inc., and the Upjohn Company, *Defendants and Respondents*.

To the Honorable Justices of the Supreme Court of the State of California:

Defendants and Respondents, E.R. Squibb & Sons and The Upjohn Company, respectfully petition for a rehearing of the above cases. The court's opinion filed March 20, 1980, considers legal questions of great importance. It is submitted that the matter should be reheard for the following reasons:

I.

A Change in the Law of This Magnitude Should Remain the Province of the Legislature, Not the Judiciary.

As the Court frankly observed in its opinion, until the present moment the plaintiffs in these cases stated no cause of action under established law (Typed Opinion at 29.). Neither the doctrine of "alternative liability," that of "concert of action" and "civil conspiracy," nor that of "enterprise liability" supports the plaintiffs' right to recover.

Instead, the present lawsuits survive the pleading stage only through the court's creation of a new rule of law. The effect of such rule, if permitted to stand, cannot now be estimated. At the least, it would transform whole areas of tort law, creating liability where there now is none, isolating

California on the basis of newly-multiplied costs of distributing products, and burdening consumers with the added costs of sending products into a state levying unanticipatable liabilities.

It is submitted that this case, most particularly at its pleading stage, provides insufficient data upon which to base such a drastic change of law. What the costs might be, and whether society is willing to shoulder them, are uniquely matters of fact-finding and policymaking within the sole capability of the Legislature. Until such fact-finding is accomplished, the wisdom of the economic reshaping mandated by this decision can only be guessed at.

This court has recognized it is the legislative function to change rules of law that long have been uniformly construed, such revision coming only after "a complete examination of all of the consequences," *Estate of Calhoun*, 44 Cal.2d 378, 387 (1955); *see Gombos v. Ashe*, 158 Cal.App.2d 517, 528 (1958). The new rule suggested in the court's opinion is just such type of lawmaking. This kind of answer to asserted societal needs should be the result only of the legislative process.

II.

The Judgment of This Court Represents State Action Subject to the Limitations of the Fourteenth Amendment of the Federal Constitution.

By now, there is no doubt that decisions of this court are subject to the restrictions of the Fourteenth Amendment insofar as they affect protected constitutional rights. *Saunders v. Shaw*, 244 U.S. 317 (1917); *Home Telephone and Telegraph Co. v. City of Los Angeles*, 227 U.S. 278 (1912); *Ex parte Virginia*, 100 U.S. 339 (1879).

As stated by the United States Supreme Court in *Chicago, Burlington & Quincy Railroad Co. v. Chicago*, 166 U.S. 225 (1897):

As stated by the United States Supreme Court in *Chicago, Burlington & Quincy Railroad Co. v. Chicago*, 166 U.S. 225 (1897):

> "[T]he prohibitions of the [Fourteenth] Amendment refer to all the instrumentalities of the State, to its legislative, executive and judicial authorities, and, therefore, whoever by virtue of public position under a state government deprives another of any right protected by that amendment against deprivation by the state, 'violates the constitutional inhibition . . .' " 166 at 233-234.

Thus, the Court said, a judgment of the highest court of a state that conflicts with the Constitution would contravene the Fourteenth Amendment.

More recently, the rule was restated in these terms:

> "There can now be no doubt that the application by the judiciary of the state's common law, even in a lawsuit between private parties, may constitute state action which must conform to the constitutional strictures which constrain the government," *Edwards v. Habib*, 397 F.2d 687, 691 (D.C. Cir. 1968), *cert. den.*, 393 U.S. 1016 (1969),

As applicable to the present case, the federal high court has held that affirmance of a civil damage award, even one arriving in the procedural garb of a demurrer, can constitute a deprivation of federally protected rights. For example, in *New York Times Co. v. Sullivan*, 376 U.S. 254 (1964), the Supreme Court of Alabama affirmed a civil judgment against the defendant publisher. Granting review, the U.S. Supreme Court declared that the state rule of law applied by the Alabama Court contravened the Fourteenth Amendment. Said the Court:

> "Although this is a civil lawsuit between private parties, the Alabama courts have applied a state rule of

> law which petitioners claim to impose invalid restrictions on their constitutional freedoms of speech and press. It matters not that that law has been applied in a civil action and that it is common law only, though supplemented by statute." 376 U.S. at 265.

Likewise, the high court applied the same principle to the affirmance by the California Court of Appeal of the sustaining of a demurrer in a civil action, *Barrows v. Jackson,* 346 U.S. 249 (1953). In that case, the U.S. Supreme Court affirmed the judgment of the California court. However, the Supreme Court noted that the state court's decision, even though involving a demurrer in a civil action, still was subject to the limitations of the Fourteenth Amendment. Had the state decision gone the other way, the Supreme Court said, the judgment would have been reversible on Fourteenth Amendment grounds. 346 U.S. at 254.

The similarity of *New York Times* and *Barrows* to the present action demonstrates that whether or not the opinion of this court is valid under state common law rules, those rules cannot be applied in a manner infringing Fourteenth Amendment protections.

That fact, of course, was recognized during the pendency of this action in this court, both in the argument of the parties (see Petition for Hearing of E. R. Squibb & Sons, Inc., at 27-30), and in the opinion of the court itself. (See Typed Opinion at 17, footnote 17).

III.

This Court's Judgment Contravenes the Due Process Clause of the Fourteenth Amendment by Establishing an Irrebuttable Presumption of Liability on the Part of the Defendants.

The effect of this court's decision, reduced to essentials, is to create the presumption of fault and liability as to all

defendants fitting a broad description. Thus, liability is levied upon all parties who manufactured DES during a particular time period. Such defendants are irrebuttably presumed to share in the fault for the harm asserted by plaintiffs.

Such irrebuttable presumptions, however, have received a most careful constitutional scrutiny by the U.S. Supreme Court. As that Court explained:

> "[T]he due process clauses of the Fifth and Fourteenth Amendments set limits upon the power of Congress or that of a state legislature to make the proof of one fact or group of facts evidence of the existence of the ultimate fact on which guilt is predicted. . . . Under our decisions, a statutory presumption cannot be sustained if there be no rational connection between the fact proved and the ultimate fact presumed, if the inference of the one from proof of the other is arbitrary because of lack of connection between the two in common experience," *Tot v. United States*, 319 U.S. 463, 467-468 (1943).

The same strict review also is applied to irrebuttable presumptions created judicially. *Ray v. Folsom*, 166 F.Supp. 390, 395 (W.D. Ark. 1958).

Thus, in *Vlandis v. Kline*, 412 U.S. 441 (1973), the Supreme Court critically viewed a Connecticut statute providing that out-of-state persons who entered the state university as freshmen could not during their four years of college qualify for the lower tuition rate charged residents. Such statute, the high court held, created an irrebuttable presumption of nonresidence. The court struck down the statute as violating the Due Process Clause of the Fourteenth Amendment in that the presumption was not necessarily or universally true as to all individuals subject to its rule.

Similarly, in *Cleveland Board of Education v. LaFleur*, 414 U.S. 632 (1974), the Court faced an irrebuttable presumption involving schoolteachers. The defendant board of

education required all pregnant schoolteachers to take maternity leave five months before the expected childbirth. Once again, the Court held, the rule irrebuttably presumed that every pregnant teacher is unable to fulfill her duties beyond the mandatory leave deadline. Because such presumption is not universally true, the Court held the rule violates the Due Process Clause of the Fourteenth Amendment.

Numerous other cases also have struck down on constitutional grounds irrebuttable presumptions that obviously were not universally correct as to all members of the disabled class. *See, e.g., United States Department of Agriculture v. Murry*, 413 U.S. 546 (1973); *Stanley v. Illinois*, 405 U.S. 645; *Bell v. Burson*, 402 U.S. 535; *Morrison v. California*, 291 U.S. 82 (1933); *Bandini Petroleum Co. v. Superior Court*, 284 U.S. 8 (1931); *Bailey v. Alabama*, 219 U.S. 219 (1911); *Seaboard Air Line R. Co. v. Bailey*, 190 F.2d 812 (5th Cir. 1951); *Minski v. United States*, 131 F.2d 614 (6th Cir. 1942) *aff'd* 319 U.S. 463.

In much the same way, the Supreme Court also has struck down on due process grounds unfair shifts in the burden of proof, including, for example, those requiring a party to prove a negative to avoid liability. See *Speiser v. Randall*, 357 U.S. 513 (1958); *First Unitarian Church of Los Angeles v. County of Los Angeles*, 357 U.S. 545 (1958).

The rule established by the above decisions applies to the present case. The effect of this court's decision is to create an irrebuttable presumption that each defendant manufacturer contributed to harm assertedly suffered by the plaintiffs. Obviously such is not correct, and as to each plaintiff all except one or two defendants lack any connection whatsoever with their alleged injury. However, just as in the federal cases cited above, there is no means by which the present defendants can rebut such a presumption.

As a result, whether viewed as a shift of the burden of proof or as creating a presumption, the rule established in this court's decision applies a conclusive, irrebuttable presumption in this and every other case utilizing the court's new rule.

The imposition of such presumptions has been held to violate the Fourteenth Amendment in cases similar to the present one. In *Western & A.R.R. v. Henderson*, 279 U.S. 639 (1929), the Court considered a Georgia statute providing railroads are liable for all damage occurring in connection with their equipment, unless the railroad can prove its freedom from fault. Said the Court:

> "The mere fact of collision between a railway train and a vehicle at a highway grade crossing furnishes no basis for any inference as to whether the accident was caused by negligence of the railway company, or of the traveler on the highway or of both, or without fault of any one." 279 U.S. at 642-643.

Because of that, the Court held, the statute violated the Due Process Clause of the Fourteenth Amendment as being unreasonable and arbitrary.

In the same way, in *Manley v. State of Georgia*, 279 U.S. 1 (1929), the court reviewed another Georgia statute providing every bank insolvency was to be prima facie proof of fraud by the bank's president and directors. Once again, the court held the presumption irrational and, therefore, unconstitutional. The court noted under the statute the size of bank was irrelevant, and fraud would be imputed to all officers, whether the bank had three or as many as 25, *See also McFarland v. American Sugar Refining Co.*, 241 U.S. 79 (1916) (unconstitutional to presume participation in a monopoly by the fact of selling sugar at a certain price).

The presumption created by this court's decision falls within the class of those reviewed above. It is submitted

that the automatic presumption of liability imposed against all defendants in this case violates the Due Process Clause of the Fourteenth Amendment.

IV.

This Court's Judgment Contravenes the Due Process Clause of the Fourteenth Amendment by Creating Liability Without Proof of Fault.

One effect of this court's decision is to impose liability upon a particular defendant without proof the defendant committed any wrongdoing. However, such rule would contravene constitutional guarantees that liability cannot be imposed without evidence supporting an accusation. Thus, in cases where liability or guilt was imposed without evidentiary support, the U.S. Supreme Court has reversed, holding such judgments in violation of the Fourteenth Amendment *See, e.g., Thompson v. City of Louisville*, 362 U.S. 199 (1960); *Schware v. Board of Bar Examiners of the State of New Mexico*, 353 U.S. 232 (1957); *Bell Telephone Co. v. Pennsylvania Public Utility Comm'n*. 309 U.S. 30 (1940).

Facts relevant to the present case are found in *Dachon v. New Hampshire*, 414 U.S. 478 (1974). In that case, a teenage girl purchased a button bearing an objectionable slogan from a shop operated by the defendant. As a result, the operator was convicted of contributing to the delinquency of a minor. On review, the U.S. Supreme Court held an essential element of evidence was missing—there had been no proof the operator himself personally sold the button to the teenager. Without such evidence, the Court held, the defendant's mere status as operator of the shop was insufficient to connect him with the harm allegedly done to the minor. Therefore, the Court held the operator's conviction violated his due process rights.

The constitutional requirement of evidence supporting liability or guilt also means that a defendant cannot be assigned the task of proving his or her own innocence. As the federal high court held in *Norwood v. Harrison*, 413 U.S. 455 (1973):

> "No presumptions flow from mere allegations: no one can be required, consistent with due process, to prove the absence of violation of law." 413 U.S. at 471.

In the present case, it is uncontroverted that plaintiffs have no evidence demonstrating the liability of any individual defendant. In such case, the imposition of liability in the absence of supporting evidence amounts to a deprivation of due process.

V.

This Court's Judgment Contravenes the Due Process Clause of the Fourteenth Amendment by Creating Liability Even Where a Plaintiff Cannot Establish All Necessary Elements of Her Cause of Action.

A further consequence of this court's decision is that liability is to be imposed even upon defendants not the causative agent of the asserted harm. This is so because the changes are small that any typical defendant in the present case actually caused the injury complained of.

To nevertheless impose liability upon all such defendants effectively eliminates the requirement of proving actual causation in tort actions. As a consequence, plaintiffs who succeed in fitting their causes of action into this court's new rule are spared the necessity of establishing the element of causation, unlike all other tort claimants. Conversely, defendants subjected to lawsuits employing this new rule are denied the safeguard afforded by the causation requirement—that is, they well may be held liable for injuries they never caused.

Such a revision in long-established tort principles, however, cannot be made in a vacuum. Eliminating the causation requirement reduces the evidentiary protection afforded defendants, a protection of constitutional significance. For example, in *Ocala Star-Banner Co. v. Damron*, 401 U.S. 295 (1971), a state court permitted a public official to recover libel damages without proof the assertedly damaging publication was made with "actual malice." Such recovery, however, had the effect of eliminating the established requirement that malice be shown. On review, the U.S. Supreme Court reversed the judgment, holding it unconstitutional to impose civil liability without proof of all necessary elements of the cause of action.

Because permitting recovery in the present case without proof of causation would have the same effect, it is submitted that the federal Constitution prohibits imposition of liability without proof of each element of the product liability cause of action.

VI.

This Court's Judgment Contravenes the Equal Protection Clause of the Fourteenth Amendment by Creating Differing Liability Standards Among Similarly-Situated Enterprises.

It can be seen at once that the decision of this court will have only selective applicability among tort defendants. The rule it establishes can be applied only to defendants who are part of a multi-firm industry manufacturing fungible products. Defendants belonging to businesses or industries having different internal structures will not face liability under the court's decision.

Such haphazard applicability means that two standards of liability are established: one for industries having the characteristics of the present pharmaceutical manufacturers,

another for all other product-liability defendants. It can be seen at once such distinction has no basis in logic, for the propensity of a product to injure, or the problems involved in assuring its safety, bear no rational connection to the internal structure of the industry producing it. Thus, two firms choosing to do business in California may face differing liability standards having no connection to the products they sell. One—similar to the present defendants—will face unlimited liability without proof of fault, while the second will incur only liability actually proven to be its responsibility.

This type of disparate treatment of similarly situated parties, however, cannot be maintained under the limitations of the Equal Protection Clause of the Fourteenth Amendment. That provision denies states the power to treat similarly-situated persons in different ways. *Reed v. Reed*, 404 U.S. 71 (1971); *Graham v. Richardson*, 403 U.S. 365 (1971).

These equal protection requirements apply with full strength to the liability of business enterprises. In *Connolly v. Union Sewer Pipe Co.*, 184 U.S. 540 (1902), the U.S. Supreme Court considered an Illinois anti-trust statute applying to all businesses but expressly exempting producers of agricultural products or livestock. Striking down the statute on Fourteenth Amendment grounds, the high court held the law "is not a legitimate exertion of the power of classification, rests upon no reasonable basis, is purely arbitrary, and plainly denies the equal protection of the laws to those against whom it discriminates," 184 U.S. at 563.

Likewise, in *Smith v. Cahoon*, 283 U.S. 553 (1931), the Court again held unconstitutional a state classification providing different treatment for closely similar businesses. The statute required motor carriers to obtain certification and insurance, but excepted carriers of certain commodities.

Because the classification had no relation to the purpose of the statute, the Court held it "constituted a violation on the appellant's constitutional rights." 283 U.S. at 587. In the same way, a district court following the principles established by the Supreme Court held it was unconstitutional to permit punitive damages in personal injury and property damage cases, yet deny them in wrongful death cases. *In re Paris Air Crash of March 3, 1974*, 427 F.Supp. 701 (C.D.Cal. 1977). Other cases establishing the same rule are *Power Manufacturing Co. v. Saunders*, 274 U.S. 490 (1927); and *Truax v. Corrigan*, 257 U.S. 312 (1921).

It is submitted that the distinction among defendants established by this court's decision lacks a rational basis and, therefore, creates a classification violating equal protection guarantees of the federal Constitution.

VII.

This Court's Judgment Contravenes the Equal Protection Clause of the Fourteenth Amendment by Creating a Rule of Liability Based on Defendants' Economic Status.

In reaching its decision, this court found that no existing rule of liability supported the position of the present plaintiffs. Yet, it held a new rule of liability may be imposed based in part on the fact defendants are better able to bear the cost of injury than the plaintiffs. (Typed Opinion at 30.).

To the extent the decision imposes liability upon defendants because of their economic status, however, serious constitutional questions are raised. It is settled that in applying its laws, a state's drawing lines on the basis of wealth renders such classification highly suspect and warrants exacting judicial scrutiny. *McDonald v. Board of Election Comm'rs of Chicago*, 394 U.S. 802, 807 (1969).

The constitutional question raised is whether California has a compelling interest in assessing liability against the present defendants based upon their economic status. Numerous decisions of the U.S. Supreme Court have found that an individual's wealth provides no reasonable basis for treating that individual differently than others. *See, e.g., Boddie v. Connecticut*, 401 U.S. 371 (1971); *Harper v. Virginia State Board of Elections*, 383 U.S. 663 (1966); *Douglas v. People of State of California*, 372 U.S. 353 (1963); *Smith v. Bennett*, 365 U.S. 708 (1961).

The Supreme Court once stated the above proposition in these words:

> "There can be no equal justice where the kind of trial a man gets depends on the amount of money he has." *Griffin v. People of the State of Illinois*, 351 U.S. 12, 19 (1956)

Because liability is being imposed on the present defendants because of their supposed wealth, it is submitted that the new rule established by this court is inconsistent with the equal application of justice required by the federal constitution.

VIII.

This Court's Judgment Contravenes the Due Process Clause of the Fourteenth Amendment by Creating Liability Based Solely on Defendants' Status as Pharmaceutical Manufacturers.

A key distinction between the new rule established in this case and that used in all prior cases is the ultimate basis for liability. Under principles used heretofore, liability accrued because of something a defendant did or did not do. Under that established rule, as this court acknowledges, the present defendants have not incurred liability because no evidence connected their conduct with plaintiffs' asserted injuries.

To remedy that perceived failing, this court's answer is to create a form of liability based not on conduct but upon status. Under the rule established by the majority, liability attaches to whomever fits the key description: one occupying the role of manufacturer during a specified period. Thus, it can be seen that liability is based upon a defendant's status, rather than conduct.

"Status" liability, however, has fared poorly when subjected to constitutional scrutiny. For example, in *Robinson v. State of California*, 370 U.S. 660 (1962), the defendant was convicted under a statute making it illegal to be addicted to the use of narcotics. Reversing the conviction, the U.S. Supreme Court held such a standard of liability violates the Fourteenth Amendment. The Court particularly gave attention to the distinction between liability for one's conduct as opposed to one's status. *See* 370 U.S. at 666.

The same constitutional principle applies here. Establishing "status liability" ignores the determination that is at the heart of tort law: whether the defendant did an act or failed to do an act, thereby causing harm to another. To create liability without such determination is inconsistent with the guarantees of the Fourteenth Amendment.

IX.

This Court's Judgment Contravenes the Commerce Clause of the Federal Constitution by Creating an Invalid Burden on Interstate Commerce.

Because pharmaceutical products, such as those produced by the defendants, are distributed to a national market, the validity of this court's decision also must be tested under the Commerce Clause of the federal Constitution. The purpose underlying enactment of that clause, of course, was to break down state-erected barriers to commerce so as to ensure a national marketplace.

Thus, under the Commerce Clause "no state has power to make any law or regulation which will affect the free and unrestrained intercourse and trade between the states . . . ." *Pittsburgh & S. Co. v. Bates*, 156 U.S. 577, 585 (1895); *see Dahnke-Walker Milling Co. v. Bondurant*, 257 U.S. 282 (1921). The prohibition against erecting trade barriers applies to all state-imposed rules, whether or not they discriminate between products made locally and those arriving through interstate commerce. Robbins v. Taxing District of Shelby County, 120 U.S. 489 (1887); *State of Minnesota v. Barber*, 136 U.S. 313 (1890); *Brimmer v. Rebman*, 138 U.S. 78 (1891).

The new rule of liability created by this court's decision does burden interstate commerce in at least four ways. First, the decision will raise the overall cost of products whose manufacturers are subject to the increased liabilities now to be imposed. In simple logic, the increased cost of doing business occasioned by this new liability must be added to the cost of the products affected. This simple fact of increased cost of products itself amounts to a burden on interstate commerce. For example, in *Bibb v. Navajo Freight Lines, Inc.*, 359 U.S. 520 (1959), the U.S. Supreme Court dealt with an Illinois statute requiring trucks traveling through that state to use a distinctive type of mudguard. The high court held the cost of complying with Illinois' unique rule was one factor making such rule unconstitutional under the Commerce Clause. *See also Raymond Motor Transportation, Inc. v. Rice*, 434 U.S. 429 (1978); *Soap and Detergent Assn. v. City of Chicago*, 357 F.Supp. 44 (N.D. Ill. 1973), *rev'd on other grounds*, 509 F.2d 69 (7th Cir.), *cert. den.*, 421 U.S. 1978 (1975). Furthermore, such cost increases will not be limited only to California, for manufacturers may not discriminate in price among the various states. Therefore, this court's decision will require the

spreading of the resultant price increases among all states, not merely California.

Second, the burden of additional, unpredictable liability in certain pharmaceutical products—notably the newer ones—will encourage manufacturers to avoid economic risks by emphasizing the distribution of older, established pharmaceuticals. The effect of such policy will be to decrease the variety of pharmaceuticals available, particularly those more recently developed. This court's decision, therefore, will adversely affect the development of new pharmaceutical products, and that burden will be felt nationally.

Third, to the extent the present decision raises prices and decreases the availability of certain pharmaceuticals, it may cause a decrease in the volume of pharmaceutical sales. Such an adverse impact upon the volume of interstate commerce itself amounts to a burden upon commerce inconsistent with the Commerce Clause. *Great Western United Corp. v. Kidwell,* 577 F.2d 1256 (5th Cir. 1978).

Fourth, the increased level of liability in the distribution of pharmaceuticals will increase the cost of doing business in that field. Such increased costs will make it more difficult and expensive for new or outside firms to enter the pharmaceutical field. Such a raising of barriers to entry once again imposes a burden upon interstate commerce. *See United States v. Aluminum Co. of American,* 148 F.2d 416 (2d Cir. 1945); *Philadelphia World Hockey Club, Inc. v. Philadelphia Hockey Club, Inc.,* 351 F.Supp. 462 (E.D. Pa. 1972; *United States v. United Shoe Machinery Corp.,* 110 F.Supp. 295 (D.Mass. 1953), *aff'd,* 347 U.S. 521 (1954). For that reason, this court's decision also is inconsistent with the Commerce Clause.

In assessing the constitutionality of a state's regulation of interstate commerce, it should be noted that strong state justification is required. The traditional "rational relation-

ship'' test applied to due process cases does not apply to state-imposed burdens upon interstate commerce. *Great Western United Corp. v. Kidwell, supra,* 577 F.2d at 1285. It is submitted that whatever reasons support this new rule, they provide insufficient justification for the burden that is imposed upon commerce.

X.

This Court's Judgment Contravenes the Commerce Clause of the Federal Constitution by Burdening Interstate Commerce Without Resort to Less Burdensome Alternatives.

Even when a state can justify its establishing rules that burden interstate commerce, such rules still are invalid if less burdensome alternatives exist. *Great Atlantic & Pacific Tea Co., Inc. v. Cottrell,* 424 U.S. 366 (1976); *Pike v. Bruce Church, Inc.,* 397 U.S. 137 (1970).

The court's opinion in the present case gives no indication that alternatives were sought or considered imposing a lighter burden on interstate commerce than the one chosen. Yet, because of the sweeping form of liability imposed by this court, there appears to be a duty first to weigh methods of achieving the court's purpose while minimizing the effect upon the free flow of products.

To the extent the present decision fails to review and consider alternatives, its result contravenes the Commerce Clause.

Conclusion.

On the basis of the foregoing argument and authorities, defendants and respondents, E. R. Squibb & Sons and The Upjohn Company, submit that a rehearing of this matter is necessary to resolve important federal constitutional questions.

Respectfully submitted,

HAIGHT, DICKSON, BROWN
& BONESTEEL,

By _____

ROY G. WEATHERUP,

Attorneys for Defendants
and Respondents,
E. R. Squibb and Sons, Inc.,
And the Upjohn Company.

APPENDIX F.

Order of the California Supreme Court Denying Rehearing.

Sindell v. Abbott Laboratories/Rogers v. Rexall Drug Company, et al. L.A. 31063 (26 Cal.3d 588). May 7, 1980. Tobriner, J., did not participate.

White, J., sitting under assignment of the Chairperson of the Judicial Council.

Respondent's petitions for rehearing denied.

Clark, J., Richardson, J., and Manuel, J., are of the opinion that the petitions should be granted.

APPENDIX G.

Excerpt from Petition for Hearing in the California Supreme Court.

[Explanatory note: The following is an excerpt from the Petition for Hearing filed in the California Supreme Court by E. R. Squibb & Sons, Inc., on October 31, 1978. Pursuant to Rule 28(d) (3) of the *California Rules of Court*, The Upjohn Company adopted this portion of Squibb's Petition for Hearing. The petitions for hearing of all defendants were granted by the California Supreme Court on December 13, 1978. However, the constitutional issues arising from the decision of the California Supreme Court, which are the subject of this certiorari petition, are very different from those arising from the decision of the Court of Appeal. In any event, this excerpt is included in the Appendix in order to show the first appearance of constitutional issues in this litigation].

It is the position of respondent E. R. Squibb & Sons, Inc., that any judicially established rule allowing a plaintiff to recover against one or more manufacturers without product identification and tracing would be unconstitutional. In particular, the defendants would be denied equal protection of the laws and would be deprived of property without due process of law, in violation of Fourteenth Amendment to the United States Constitution, and corresponding portions of the Constitution of the State of California. [Article I, Sections 11 and 21.]

The drug industry would be denied equal protection of the laws because a rule dispensing with proof of cause in fact would be applicable to them, although not applicable in all tort cases. The defendants would be deprived of due process of law, because, in effect, an unwarranted legal presumption would have been established.

That the rule proposed by plaintiffs and appellants would be etablished by judicial decision, rather than by legislative action, does not affect its possible constitutionality. Judicial decisions by state courts, as well as legislative enactments, are subject to the restraints of substantive due process. See *American Ry. Express v. Kentucky*, 272 U.S. 269 (1927); *Prudential Ins. Co. v. Cheek*, 259 U.S. 530 (1922); *Patterson v. Colorado*, 205 U.S. 454 (1907); *Backus v. Port St. Union Depot Co.*, 169 U.S. 557 (1898); *Chicago, B. & O. R.R. v. Chicago*, 166 U.S. 226 (1897). If plaintiffs' theories are adopted by this court as a basis for tort liability, such a holding will violate the Fourteenth Amendment. It will result in taking the property of all the defendants to pay for harm which may have been caused by the product of only one defendant—or very probably by a supplier not even a party to this lawsuit—and over whom the defendants had no control and with whom they had no meaningful contact or relationship.

The general tests for applying the principle of equal protection are set forth in many cases. See, for example, *Serrano v. Priest*, 5 Cal.3d 584 (1971) and the various federal and state court decisons cited therein. Equal protection and due process of law are violated "if a party is denied the right to have his cause tried and determined in accordance with the procedures that are applied in *other cases of like character*." (Emphasis added.) *Collins v. Superior Court*, 145 Cal.App.2d 588, 589 (1956). The words "other cases of like character" would have to refer to other torts actions in which the plaintiff has the burden of proving causation in fact. The inability of some plaintiffs to bear the uniformly established burden of proof does not justify dispensing with that burden in an arbitrarily selected group of cases.

To abandon the requirement of product identification and tracing would, in effect, establish a presumption that

each and every defendant in a case violated a duty to the particular plaintiff, causing injury. Such a presumption would be an unconstitutional departure from the requirements of due process of law. A state may declare a *prima facie* presumption to be the legal effect of proof of certain facts, but the due process clause of the Fourteenth Amendment to the United States Constitution requires that there be a rational connection between the facts proved and the fact presumed. *People v. Wells*, 33 Cal.2d 330, 346 (1949); *Tot v. United States*, 319 U.S. 463, 467 (1943).

It is constitutionally insufficient to argue that without the proposed theories of liability, plaintiffs will be left remediless and that that is inequitable. In *Rees v. Watertown*, 86 U.S. (19 Wall.) 107 (1873), the Supreme Court, relying upon the Magna Carta and the due process clause, stated: "A court of equity cannot, by avowing that there is a right but no remedy known to the law, create a remedy in violation of law, or even without the authority of law." 86 U.S. at 122.

In the cases at bar, the possible inability of plaintiffs to prove their cases cannot be blamed on any conduct of the defendants. Plaintiff Rogers has been able to identify the actual manufacturer involved in her own case. It is possible that plaintiff Sindell might be able to do so after pursuing investigation or discovery. In any event, the Constitution requires proof of cause in fact, before a defendant can be held liable to a plaintiff. To hold otherwise, would be to create a new tort, consisting solely of being a manufacturer of DES. It would represent unconstitutional discrimination of a class of manufacturers, treated in a manner unlike the standards of justice applied to other defendants.

For the foregoing reasons, the Supreme Court of California should not adopt any rule which would allow violation of the constitutional rights of the defendants, depriving them of property in a discriminatory fashion, without due process of law.

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